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CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

U.S.'s Lord Says Goal 'New Pacific Community' *[KYODO]* 1
MITI Rejects U.S. Charge on Trade Barriers *[KYODO]* 1
BOJ Considering Timing of Market Intervention *[KYODO]* 1
G-7 Plans Fund To Help Russia's Small Firms *[KYODO]* 2
Miyazawa Urges UNSC To Address DPRK Issue *[KYODO]* 2
To Coordinate Position With ROK *[YONHAP]* 2
Tokyo, EC Agree on Automobile Export Quotas *[KYODO]* 3
Miyazawa News Conference Focuses on Economy, Budget *[Tokyo TV]* 3
SDP, Komeito Approve Alternative Reform Package *[KYODO]* 9

North Korea

IAEA, Others Discuss Nuclear Treaty Withdrawal 9
IAEA Votes To Take Case to UNSC *[AFP]* 9
IAEA Rejects 'Regular Inspections' Offer *[YONHAP]* 9
PRC Spokesman Opposes 'Sanctions' *[Pyongyang Radio]* 10
Syria, SRV, India, Pakistan Abstain *[Seoul Radio]* 10
IAEA Spokesman Previews Issue *[Cologne Radio]* 10
DPRK Envoy to Russia Comments *[Pyongyang Radio]* 11
Countries Denounce Inspection 'Scheme' *[KCNA]* 12
'Military Sources': U.S. Continues 'Aerial Espionage' *[KCNA]* 12
Russian Diplomats: DPRK GNP Shrank 30 Percent in 1992 *[KYODO]* 12
Defector: DPRK 'Genuine Society' for People *[KCNA]* 12
Yi Chong-ok Arrives in Nepal After Leaving India *[Pyongyang Radio]* 13
Kang Song-san Greets PRC's Li Peng on Renomination *[Pyongyang Radio]* 13
Daily Marks Founding of Islamic Republic of Iran *[KCNA]* 13
Regular Pyongyang-Bangkok Air Service Begins *[KCNA]* 13
Kim Chong-il Inspects International Children's Camp *[KCNA]* 13
Radio Interviews Agricultural Committee Officials *[Pyongyang Radio]* 14
Mass Rallies Held To Implement Kim Chong-il's Order *[Pyongyang Radio]* 15
KCNA Reviews 1 Apr Pyongyang Press 15

South Korea

DPRK Envoy: IAEA Resolution 'Unreasonable Step' *[YONHAP]* 16
Minister: U.S., ROK Objectives Differ on DPRK *[YONHAP]* 16
Russian Scientists Said To Help DPRK Develop Missiles *[TONG-A ILBO 1 Apr]* 16
UK's Hurd To Visit 7-9 Apr *[THE KOREA HERALD 1 Apr]* 17
Swedish Prime Minister Bildt To Visit 6-8 Apr *[YONHAP]* 17
DLP Designates Yi Man-sop New Assembly Speaker *[YONHAP]* 17
National Assembly Accepts More Resignations *[YONHAP]* 17
DLP Ethics Committee Recommends Lawmaker's Expulsion *[YONHAP]* 17
DLP Delays Disciplinary Action on Representative Chong *[YONHAP]* 17
Kim Yong-sam, Kim Chong-pil Discuss Party Solidarity *[YONHAP]* 18
Kim Yong-sam Meets 'Dissidents' for Talks *[YONHAP]* 18
Kim Seeks New 'Open' Relationship With Press *[YONHAP]* 19
Security Agency To Complete Reorganization by 3 Apr *[YONHAP]* 19
General Opposes Assets Disclosure by 'Military Brass' *[THE KOREA HERALD 1 Apr]* 19

Central Bank Abolishes 'Discriminatory Rules' *[THE KOREA TIMES 1 Apr]* 20
ROK Eases Rules on Investment in Socialist Countries *[THE KOREA TIMES 1 Apr]* 20
Daily Views Foreign Investment Liberalization Policy *[THE KOREA TIMES 31 Mar]* 20
Commission Designates 30 Business Groups Conglomerates *[THE KOREA TIMES 1 Apr]* 21
YONHAP Assesses Business Climate Following Kim Reforms 22
Kim Tells Minister To Select Cellular Phone Licensee *[YONHAP]* 23
Daewoo Said To Transfer Workers To Save Company *[THE KOREA HERALD 31 Mar]* 23

SOUTHEAST ASIA

Burma

Khin Nyunt Named Intelligence Department Chief *[AFP]* 25
Former U.S. Congressmen Visit Jailed Dissidents *[AFP]* 25
Rebel Bomb Kills 3, Injures 4 in Mudon *[Rangoon Radio]* 25

Brunei, Malaysia & Singapore

Malaysia

Perak Sultan's Birthday Festivities Scaled Down *[Kuala Lumpur Radio]* 25
Spirit of 46 Opposition to Amendment Decried *[BERITA HARIAN 27 Mar]* 26
Singapore TV Blamed for Children's Poor Malay *[Singapore THE STRAITS TIMES 31 Mar]* 26

Singapore

Minister: 'Healthy' Economy Set To Grow 6-7% *[THE STRAITS TIMES 1 Apr]* 27
Economic Pacts Signed With PRC, Germany *[Singapore Radio]* 28
Diplomatic Relations Established With Kazakhstan *[Singapore Radio]* 28

Cambodia

'Unidentified Gunmen' Attack Video Hall *[AFP]* 28
Suspected Khmer Rouge Shoot at Boatpeople *[AFP]* 28
Further on Attacks on Arcade, FUNCINPEC *[AFP]* 28
Sihanouk To Return to Phnom Penh Despite Warnings *[AFP]* 29
'Puppet Soldiers' Attack Phnom Penh Monument *[Radio VGNUFC]* 29

Indonesia

E. Timor Operational Command To Be Dissolved *[SUARA PEMBARUAN 16 Mar]* 29
Commander Comments on Phase-Out *[Jakarta Radio]* 30
Spokesman Announces Regional Military Command Changes *[ANTARA]* 30
Official Urges 'Balanced' Human Rights Approach *[ANTARA]* 30

Laos

U.S. President Sends Message of Thanks *[Vientiane Radio]* 31
Thai Military Bank Opens Vientiane Branch *[Bangkok THE NATION 1 Apr]* 31
Phoumi Vongvichit Attends Opening *[Vientiane Radio]* 31
Assembly Chairman Thanks Russian Counterpart *[Vientiane Radio]* 32
Party-State Delegation Leaves for SRV Visit *[Vientiane Radio]* 32
Finance Ministry To Oversee National Treasury *[Vientiane Radio]* 32

Philippines

Editorial Criticizes 'Confusing' Clinton Signals *[THE MANILA CHRONICLE 1 Apr]* 33
Trade, Investment Experts Take 'Key' U.S. Posts *[BUSINESS WORLD 1 Apr]* 33
MNLF Sees Basilan Tension Blocking Settlement *[Quezon City TV]* 34
Administration Candidates Win Top ARMM Posts *[Quezon City Radio]* 34
13 Rebels Killed, 8 Wounded in Kalinga-Apayao *[Manila Radio]* 34

Tokyo To Fund 10 Bridge Projects in Luzon *[MANILA BULLETIN 1 Apr]* 34
Dutch Reject Sison Request for Political Asylum *[Manila Radio]* 35
President Speaks on Streamlining Bureaucracy *[MANILA STANDARD 1 Apr]* 35

Thailand

SAP Leader: Party Ready To Leave Coalition *[BANGKOK POST 1 Apr]* 36
Government Parties Meet on SAP Resignation *[Bangkok Radio]* 37
Groups Attack U.S. Over Sanctions Threat *[BANGKOK POST 1 Apr]* 37
Chuan Claims Government Stable, To Last Full Term *[Bangkok Radio]* 37
Prasong Comments on Regional Ties *[BANGKOK POST 1 Apr]* 38
Paper Urges Cambodian Elections Be Held as Planned *[THE NATION 1 Apr]* 38
Prime Minister Worried by 'Mob-Rule' in Country *[BANGKOK POST 1 Apr]* 39
Speakers Tout Nation as Regional Economic Hub *[BANGKOK POST 1 Apr]* 39
MP's Urge Action Against NPKC, Assets Committee *[BANGKOK POST 30 Mar]* 40
Lecturers Lend Support for Anan's Legal Fight *[THE NATION 30 Mar]* 41
Rangoon Said Launching Campaign Against Minorities *[Bangkok Radio]* 42
Iran Granted Two-Year Credit To Buy Thai Rice *[BANGKOK POST 31 Mar]* 42

Vietnam

UNTAC Official Condemns Massacre in Cambodia *[VNA]* 42
Border Province Reported Sealed Due to Refugee Influx *[AFP]* 42
Lao Party, State Delegation Arrives 31 Mar *[Hanoi Radio]* 43
Paper Welcomes Delegation's Visit *[VNA]* 43
Do Muoi, Vo Van Kiet Welcome Guests *[Hanoi International]* 44
Bilateral Payment Agreement Signed With Malaysia *[VNA]* 44
Commentary Hails Malaysian Aid, Trade Ties *[Hanoi International]* 44
Envoy to Malaysia Comments on Ties *[VNA]* 44
Assembly Chairman Meets Philippine President *[VNA]* 44
Leaders Congratulate Newly Elected PRC Leaders *[VNA]* 45

Japan

U.S.'s Lord Says Goal 'New Pacific Community'

OW0104010393 Tokyo KYODO in English 0032 GMT 1 Apr 93

[By Antonio Kamiya]

[Text] Washington, March 31 KYODO—The administration of President Bill Clinton plans to forge a new global partnership with Japan that involves a "more mature balance of responsibility" between the two countries, a senior State Department official said Wednesday.

Winston Lord, assistant secretary of state-designate for East Asian and Pacific affairs, told Congress in a confirmation hearing that the Clinton administration expects Tokyo to play a larger global role commensurate with its economic power.

Lord, a former ambassador to China, laid out the Clinton administration's policy vision on Japan and other countries of East Asia and said the top priority of his job is to build a stronger partnership with Japan. "Our fortunes in Asia, indeed the world, will hinge on developing a comprehensive, durable partnership with Japan," Lord told the Senate Foreign Relations Committee. "That is my top priority."

Describing the Asia-Pacific region as the world's economic powerhouse, Lord said the administration's goal is to build a "new Pacific community" with fresh approaches and structures for cooperation. Tokyo, Lord said, will be "hinge" of the administration's Asia policy.

Noting that Japan and America account for 40 percent of the world's economic output, Lord said the U.S.-Japan alliance "reassures friends, promotes stability, and deters arms races."

Lord pledged "strong support" to Japan in its bid to get a permanent seat in the United Nations Security Council and said Washington will consult Tokyo on all major world issues that come before the world body. In return, Lord said, Tokyo must assume larger international responsibilities. "Japan's aspirations for a central seat at world councils should be bolstered by contributions worthy of a major political and economic power," he said.

Turning to "festering frictions" that have marred economic ties between the two countries, Lord said Japan's vast external surplus—125 billion dollars last year—strains the global economic system and "creates severe tension" with the United States.

While noting that the U.S. must make its economy more competitive, Lord urged the Japanese Government to take measures to stimulate domestic demand and increase imports.

The global partnership the Clinton administration is envisioning with Japan, Lord said, involves a web of global, regional and bilateral consultations and cooperation with Tokyo. The administration plans to bolster its cooperation with Tokyo in areas such as the Uruguay Round of trade negotiations, the Group of Seven process, and U.N. peacekeeping missions, he said.

Lord said Washington also wants closer cooperation with Tokyo on such "international challenges" as nuclear weapons controls, the environment, refugees, and human rights.

Regionally, Lord said the United States will work closely with Japan to "nourish" regional economic institutions such as the Asian Pacific Economic Cooperation Forum and will consult Tokyo on regional security concerns. Lord said the two countries should bolster bilateral consultations on their policies toward other nations in the region.

Underlying the new U.S. diplomatic approach to Tokyo, he said, is a more "equitable, positive" partnership. "America will listen more, lecture less," he said.

"In turn, Japan should step forward, not in response to American entreaties or pressure, but in a spirit of enlightened self-interest and mutual benefit."

MITI Rejects U.S. Charge on Trade Barriers

OW0104050793 Tokyo KYODO in English 0457 GMT 1 Apr 93

[Text] Tokyo, April 1 KYODO—The Ministry of International Trade and Industry (MITI) on Thursday rejected U.S. charges that Japan maintains trade barriers, saying the accusations were based on a misunderstanding. "Japan is importing foreign goods in large quantities," one MITI official said.

Contending that Japan's trade barriers have largely been eased, the official said, "There might be not a few misunderstandings on the U.S. side."

The Office of the U.S. Trade Representative released an annual report Wednesday, which accused 47 countries and regions of maintaining trade barriers against American exports, with Japan topping the list of U.S. complaints. The trade barriers report is the first compiled under U.S. President Bill Clinton's administration and could have an impact on Clinton's trade policies toward Japan, Japanese observers said. The MITI official said Japan will use every opportunity to explain its trade policy to the United States.

BOJ Considering Timing of Market Intervention

OW0104144593 Tokyo KYODO in English 1432 GMT 1 Apr 93

[Text] Tokyo, April 1 KYODO—The Bank of Japan [BOJ] is considering the timing of market intervention to stem the yen's strong appreciation against the U.S. dollar, a BOJ official said Thursday. The official indicated the central bank is ready to step into the currency market any time.

The BOJ official, speaking on condition of anonymity, said there is "no agreement between Japan and the United States on a higher yen." The official's comment follows reports that the dollar plunged below 114 yen to hit new postwar record lows in interbank trading in New York and London on Thursday. In New York dealings, the U.S. currency hit 113.75 yen shortly after the opening.

G-7 Plans Fund To Help Russia's Small Firms

OW0104082193 Tokyo KYODO in English 0811 GMT 1 Apr 93

[Text] Tokyo, April 1 KYODO—The Group of Seven (G-7) industrial nations plan to set up a fund of around 100 million U.S. dollars in the European Bank for Reconstruction and Development (EBRD) to help Russia foster smaller enterprises, Japanese Government sources said Thursday.

The new fund will be authorized by a meeting of G-7 finance and foreign ministers to be held in Tokyo on April 14-15, the sources said. Japan is ready to provide one-fifth to one-seventh of the EBRD fund, which they said is the core of a new assistance package for Russia to be adopted at the G-7 ministerial gathering, according to the sources.

Under a privatization program, Russia has sold about 500 small state-run enterprises through an auction formula, but a shortage of know-how in managing smaller firms remains a major stumbling bloc to its efforts to transform the economy into a market-oriented one, the sources said.

The London-based EBRD signed a contract with Russia in March to lend a total of 40 million dollars to the former communist nation for fostering of smaller enterprises and promotion of privatization. The G-7 nations—Britain, Canada, France, Germany, Italy, Japan, and the U.S.—are expected to offer technical and training assistance for Russia's smaller firms through the fund, they added.

Miyazawa Urges UNSC To Address DPRK Issue

OW0104042693 Tokyo KYODO in English 0407 GMT 1 Apr 93

[Text] Tokyo, April 1 KYODO—Prime Minister Kiichi Miyazawa and South Korean Foreign Minister Han Sung-chu agreed Thursday that the U.N. Security Council should address North Korea's refusal to allow inspections of two suspected nuclear sites, a Foreign Ministry official said.

Han cautioned, however, that North Korea must not be pushed into a corner, the official said.

Speaking one day after the International Atomic Energy Agency (IAEA) deadline passed for allowing inspection of the two suspected atomic sites, Han told Miyazawa, "It is difficult to predict what North Korea will do. It is important to clearly explain our thinking." "We must not press North Korea too far," he was quoted as saying.

Miyazawa, noting that North Korea's possession of nuclear weapons would pose a threat to Japan, said Pyongyang "absolutely must not be allowed" to develop a nuclear weapons capability, the official said. "Various measures must be taken to make North Korea change its mind" about withdrawing from the Nuclear Non-Proliferation Treaty, Miyazawa said, suggesting that the U.N. Security Council should address the matter.

The IAEA was expected to refer North Korea's violation of the nuclear safeguards agreement to the Security Council on Thursday.

Miyazawa and Han agreed to continue to work with the international community to seek cooperation from North Korea, the official said.

Commenting on bilateral ties, Han said that relations had improved over the past year, the official said. Emotions ran high last year after several South Korean women broke a half-century of silence to accuse Japan of forcing thousands of Korean women to provide sex for Japanese soldiers during World War II.

Japan, which long refused to acknowledge official involvement in the brothel operations, has recently indicated it may admit that women were recruited against their will. The government is anxious to lay the matter to rest before Miyazawa and new South Korean President Kim Yong-sam hold their first meeting.

Han told Miyazawa that Kim would like to overcome obstacles to improved relations and enter a "future-oriented" relationship, the official said.

Miyazawa replied that Japan is responsible for the "unfortunate" past shared by the two countries and apologized for Japan's wrongdoing.

The premier was not specific, but said he hoped to teach the next generation about Japan's wartime mistakes, the official said. Seoul has been pressing Japan to include the history of the "comfort women" in school textbooks.

Miyazawa, replying to Kim's message, agreed to seek an early summit meeting, the official said. Han is in Japan since Wednesday for a three-day visit following his return from the United States, where he met with U.S. officials in Washington and held meetings at the U.N. headquarters in New York.

To Coordinate Position With ROK

SK0104083193 Seoul YONHAP in English 0815 GMT 1 Apr 93

[Text] Tokyo, April 1 (YONHAP)—South Korea and Japan agreed Thursday that North Korea's nuclear issue will have to be raised by the U.N. Security Council, and pledged full cooperation with Security Council actions.

Japan said it was directly threatened by North Korea's nuclear development and reiterated that it would not normalize relations with Pyongyang without a resolution of the nuclear problem.

The two countries agreed to hold routine foreign ministers' talks and establish regular high-level policy consultations between assistant ministers for closer consultation on regional issues.

South Korean Foreign Minister Han Sung-chu, in Tokyo after a week-long visit to the United Nations and Washington, met with Japanese Foreign Minister Michio Watanabe and Prime Minister Kiichi Miyazawa for talks that lasted through lunch.

The two countries promised to coordinate their positions on whatever measures the security council decided to take on North Korea, Korean spokesman Yu Myung-hwan told a post-meeting news briefing. Korean officials said that the two sides did not go into detail on what measures they will prepare for, such as a trade embargo or sanctions.

The foreign ministers agreed to consider joint action after watching how North Korea reacts in the coming months,

specifically around the time when Pyongyang's withdrawal from the Nuclear Non-proliferation Treaty (NPT) becomes final on June 12.

The Seoul officials said it was too early to discuss particular U.N. sanctions with Tokyo since North Korea's nuclear issue is yet to pass to the U.N. Security Council, but observers say Thursday's meeting failed to answer reports that Japan is unenthusiastic over economic embargoes against North Korea.

Han and Watanabe touched base on impending bilateral issues, primarily Japan's investigation into tens of thousands of Korean "comfort women" abused as sex slaves for Japanese soldiers during World War II. Watanabe, applauding Seoul's own efforts to help the victims through assistance funds, said Tokyo was doing its best to uncover the truth about the comfort women's mobilization.

Han added pressure to Japan's efforts, saying Seoul expected Tokyo's report on the probe, due out soon, to be acceptable to the South Korean people.

To correct the skewed trade imbalance in Japan's favor, Han urged Tokyo to lower import tariffs on South Korean goods and to remove non-tariff barriers. The key to balancing trade was not lowering Japan's surplus with South Korea, which would diminish bilateral trade, but lowering South Korea's deficit while expanding trade, he said.

The two foreign ministers agreed to meet again this year to begin regular consultations. Assistant foreign ministers will convene their first regular policy coordination session around May.

Spokesman Yu said they did not discuss any specific dates for a Seoul-Tokyo summit, just affirming hopes that the summit will be arranged "in the near future."

Han met earlier with Prime Minister Kiichi Miyazawa, who said Japan would "honestly admit" its past wrongdoings, referring to 35 years of colonial rule over Korea that ended with defeat in World War II.

The prime minister urged close negotiations among Seoul, Tokyo and Washington to solve North Korea's nuclear program, especially before Pyongyang's NPT withdrawal took effect on June 12.

Tokyo, EC Agree on Automobile Export Quotas

OW0104040193 Tokyo KYODO in English 0333 GMT 1 Apr 93

[Text] Tokyo, April 1 KYODO—Japan and the European Community (EC) have agreed on a quota for Japanese automobile exports to the EC market in 1993 of 1,089,000 vehicles, government officials said Thursday [1 April].

In a three-day meeting, which ended Wednesday, Japan and the EC reached a common estimate of demand in the EC automobile market during 1993 at around 13 million cars, down 6.7 percent from 1992's level of 13.94 million, the officials of the Ministry of International Trade and Industry said.

The export quota for 1993 is down about 8 percent from the previous year's level of 1,185,000 vehicles, they said. For export quotas for five individual EC member nations, the two sides have agreed on 77,300 vehicles for France, 42,900 for Italy, 34,200 for Spain, 41,500 for Portugal, and 202,800 for Britain, they said.

The Japan-EC accord on automobile trade, reached in July 1991, limits Japanese automobile exports to the 12-nation market to about 1.23 million vehicles a year from 1993 through 1999, after which the EC car market is totally liberalized.

Miyazawa News Conference Focuses on Economy, Budget

OW0104104793 Tokyo NHK General Television Network in Japanese 0800 GMT 1 Apr 93

[News conference by Prime Minister Kiichi Miyazawa with unidentified reporters; hosted by three unidentified moderators at the prime minister's official residence in Tokyo on 1 April—recorded]

[Text] [Moderator] We would like to hear your opinions on various points. For the first time in 22 years, the budget has been passed before the fiscal year has actually begun. What does the prime minister think about this? On the other hand, the economy is in a very grave situation. We would like you to tell us about your forecast for the economy.

To get started, the three moderators will ask general questions, to be followed by free questions from the floor. Mr. Prime Minister, please keep your answers brief and straight to the point as much as possible. Let us start with your comments on the budget's passage and your assessment of the economy.

[Miyazawa] The reason why the Diet took this extraordinary step for the first time in 22 years is that the Diet took considered the seriousness of the economic recession. Psychologically, I think that this will be very much welcomed by the people. The new budget will be implemented starting today. Therefore, it will be possible to implement the budget and public projects without interruption. Because there was no need to prepare for a provisional budget, the various ministries and agencies have been preparing for the implementation of the budget all along. For this alone, I am really grateful.

On the economic situation, when I addressed the Japan Chamber of Commerce and Industry recently, I said prospects had become a bit brighter than before. From my lengthy experience, looking at specific economic indexes, such as production, money supply, housing starts, the increasing volume of stock transactions, the procedure for clearing bad bank loans, and the handling of the housing loan company, little by little very optimistic signs are beginning to come into view. Still, we cannot afford to be careless. It is often said by those dealing in stock transactions that the word already means, in essence, not yet. When you feel that everything is already fine, you still need think some more. I am asking the director general of the Economic Planning Agency to come to me later today, when I will ask him to draw up additional comprehensive economic measures to make the economic recovery even more veritable since the budget has been enacted. I will ask him to draw up such measures by mid-April. I have told him so at a cabinet meeting.

The party has also been considering various measures. The consultative body comprising representatives of the four major political parties also has started deliberations. I would like to implement measures to make the economic recovery permanent as soon as possible.

[Moderator] With regard to the Liberal Democratic Party [LDP], people inside the LDP are saying that there is a need for the current Diet session to come up with a supplementary budget containing a sizable package of economic measures that would outstrip the supplementary budget approved last year. Mr. Prime Minister, what do you think about this supplementary budget?

[Miyazawa] Well, I think that it will be of considerable size. In terms of public investments, I think the so-called new social infrastructure is an interesting idea. There will be measures for small and medium-sized businesses and housing. We may also have to think about policy tax cuts [seisaku genzei]. The LDP has been working on this supplementary budget, and the other parties have said that we will discuss this at the consultative body. We will have to see what happens with all this. In any case, in terms of the supplementary budget, this will be the largest in scale in history, and it should be drafted as soon as possible.

[Moderator] You are thinking of doing this during the current Diet session?

[Miyazawa] There will be discussions with individual parties, and a discussion will be held at the meeting of top party leaders. In the case of the comprehensive economic package of August 1992, there was a delay in passing the supplementary budget. That was regrettable. This time, however, I would like to avoid such a situation. We would like to complete preparations to pass the supplementary budget during the current Diet session.

[Moderator] A meeting of top party leaders has been scheduled. The opposition parties have been clamoring for income tax cuts. The LDP, however, is not thinking of any income tax cuts at this time. Do you intend to include income tax cuts in the forthcoming economic stimulation measures?

[Miyazawa] With regard to this issue, when the budget passed the House of Representatives, a four-party consultative body was created. The opposition parties mentioned income tax cuts, and discussions on this issue will continue. I think that we will have to see what comes up at the discussions. There is also the meeting of top party leaders. Nevertheless, we will have to consider the source of revenues, and the relation of this to the comprehensive reform of the taxation system. When you talk about tax refunds, people tend to think of money being returned to them. Actually, this merely means that a little bit less tax money will be withheld. There are various things we have to think about. The LDP believes that policy tax cuts are preferable. I think that it will be better to wait and see what happens at the discussions with the other parties.

[Moderator] Next, I would like to ask you about the political reform issue. Mr. Prime Minister, you are scheduled to attend the Liberal Democratic Party's [LDP] joint plenary meeting of members of both houses of the Diet tomorrow, to again declare your resolve to carry out political reform. Could you tell us what your resolve is on the political reform issue?

[Miyazawa] Regarding recent political sandals, I, as the leader of the government, feel very sorry about increasing the public's deep-rooted distrust of politics. While the public shows a certain understanding of the fact that political activities are money-consuming, the latest scandal [involving former LDP Vice President Shin Kanemaru] indicates that individual politicians sometimes blur the distinction between political funds and their personal assets. I got this impression when I heard about the case.

We are about to submit four bills to the Diet to carry out political reform. And, before Diet deliberations on the bills, the LDP intends to get its Diet members together to review the party members' past practices and to go back to the starting point. That is what we intend to do at the LDP Dietmen's plenary meeting tomorrow.

The confusion in politicians' money management will be settled through the enactment of political reform bills, but, we are supposed to be able to settle the problem even without legal control. I hope the LDP provides new party rules so that individual party members will be prohibited from taking, giving, and possessing monetary donations. I believe that this is probably possible even before enactment of the political reform bills. Although I do not personally have definite ideas for making such party rules, I intend to ask party executives at tomorrow's plenary meeting to study the possibility of party regulation revisions. I think it is possible if members support my idea.

[Moderator] As a matter of fact, the LDP finalized the political reform bills yesterday, and the Social Democratic Party of Japan [SDPJ] and Komeito jointly worked out a counterproposal earlier today. The Diet is about to discuss the political reform bills after the submission of bills, but it appears that there is a great gap between the LDP and opposition proposals. In deliberations at special Diet committees, what is your plan to narrow the gap? Do you have a definite plan for concessions in the final stage of deliberations?

[Miyazawa] We are going to work on a drastic reform which takes place once in several decades. All parties are supposed to have thorough discussions before passing these bills. The LDP has proposed the political reform bills as a package of four bills, and other parties will note that the four bills cannot be handled separately. All parties have agreed on the point that the government should offer some financial support for politicians or parties. To introduce the governmental support system, reform of the election systems will become inevitable. The opposition will understand this point if we sincerely explain our standpoint. Also, all parties share a common perception that, if we do not carry out political reform right now, we will leave big problems to future generations. I think that we can pass the political reform bills within the current session. Since everybody is aware of the crisis of Japanese democracy, political reform will be realized this time even if interparty negotiations face rough going.

[Moderator] You said that the bills can be passed within the current Diet session, and that it is the last chance to win back the public's confidence. You probably have reasons for

your confident manner. As the prime minister and LDP president, what would you do to take responsibility if the political reform bills are shelved or scrapped at the end of the current Diet session?

[Miyazawa] Sooner or later, I will have to cope with the most difficult situation in order to pass the bills. But, I must not take a retroactive stance when I face the ultimate choice. To achieve the goal, I must take an unyielding attitude.

[Moderator] Next, I would like to ask you about diplomatic policies. Providing aid to Russia will be the most urgent issue to be discussed at the upcoming summit in July. In a related move, a meeting of foreign and finace ministers of the G-7 is scheduled for Tokyo on 14-15 April. Also, President Boris Yeltsin has been invited to the July summit. In a situation in which the dispute with Russia over the northern territories has not been settled yet, how are you going to deal with the issue of aid to Russia?

[Miyazawa] Recently, I sent government representative Matsunaga to Moscow with my personal letter to Mr. Yeltsin. I wrote the letter as a host of the G-7 summit, in which I did not touch on any bilateral issues. I have no intention to link my Tokyo summit invitation to Mr. Yeltsin to the problems pending between the two nations. My opinion is that the two issues are different matters.

In Moscow, Mr. Yeltsin has said that he will work to improve bilateral relations, and I welcome this. Nevertheless, bilateral issues should be separated from the G-7 summit. The agenda of the summit has been discussed by the sherpas. Aid to Russia will certainly be one of the most important issues. I have invited G-7 foreign and finance ministers to attend a Tokyo meeting scheduled for mid-April. Also, I have asked Russia to send an economic expert to the meeting to give briefings on the situation in Russia.

I think the contents of the Russia aid plan will be firmed up at the meeting. We might face various problems, but since the sherpas have exchanged opinions and G-7 nations have talked each other, I think the direction that the G-7 nations should take will become clear at the meeting. The issue of aid to Russia will eventually involve such international monetary institutions as the International Monetary Fund and the World Bank. Since the meeting foreign and finance ministers will be held in mid-April, there is plenty of time before the July summit. Therefore, I believe that issues between Japan and Russia and between the G-7 nations to be discussed at the summit will be determined by then.

[Moderator] You are scheduled to visit the United States beginning 15 April for your first talks with President Cliton. It is expected that the United States will ask Japan to take specific measures to reduce its trade surplus during your visit. How are you going to respond to the request?

[Miyazawa] I once met Mr. Clinton when he visited here. But this is the first time for me to meet him since he was elected the U.S. President. During my visit to Washington, I hope to establish a relationship of mutual trust between the two nations. Therefore, I think it is desirable that I spend as much time as possible in discussions with a limited number of U.S. Government officials. There are various issues, including bilateral problems, the two nations should discuss. The two countries, whose total GNP's account for 40 percent of the world GNP, should cooperate in resolving various issues. The issue of aid to Russia is one of them.

In this context, I would like to establish a basic relationship with the United States. Such a relationship will help increase understanding in terms of what the other side is thinking and will allow us to call each other when something important comes up. President Clinton has begun, in earnest, to implement specific measures to reduce the federal deficit. It is quite natural that, to achieve this goal, the president will ask other countries to cooperate. In particular, he will ask for cooperation from Japan because our country has registered a huge trade surplus with the United States.

I think my talks with Mr. Clinton will focus on macroeconomic measures. It appears that the President holds the basic opinion that Japan should increase imports by expanding its domestic demand through macroeconomic measures. I think that this point will be the main topic. As I have said earlier, after this conference, I am going to ask the director-general of the Economic Planning Agency to compile an outline of comprehensive pump-priming measures as soon as possible. I will discuss the outline with President Clinton.

[Reporter] I would like to ask you about political reform. In recent years, the Japanese people have heard politicians call for political reform again and again. I think that the people are wondering when political reform is actually going to materialize. When do you intend to start tackling drastic political reform, including the reform of the election system? Depending on whether you intend to carry out political reform in the distant future, such as in the 21st century, or whether you intend to hold the next general election under the new election system, the people's views on Nagata-cho [Tokyo district where the LDP headquarters are located] will vary greatly. As the prime minister—the person who takes the lead in pursuing political reform—do you intend to tackle political reform, on which full-scale discussions are expected to start, with the intention of carrying it out by the next general election?

[Miyazawa] First, it is certain that political reform should be carried out by the 21st century. At the beginning of last year, I explained my plan that, initially, emergency political reform would be carried out, and then a draft of more drastic political reform measures would be worked out by November. After this, the draft will be submitted to the Diet. This plan has been progressing smoothly, almost as I expected. Now that the fiscal 1993 national budget has been approved, the LDP plans to submit its bills on political reform to the Diet. Even though it may take time for the bills to pass the Diet because opposition parties are expected to make some demands, I hope that the political reform-related bills will be approved at the current Diet session.

The LDP has worked out four political reform-related bills. Because the four bills are closely connected to one another, the bill on the election system should also be approved at the current Diet session. In this case, we must decide how the election constituencies should be divided. After this is done, the law on the election system will go into effect and a new election system will be implemented. If the bill on the reform of the election system is approved at the Diet, we have to start this procedure immediately. Now, considering

that the next election should be held sometime around next February, it may be impossible to hold the next election under the new election system. Nevertheless, the reform of the election system is an imminent task.

[Reporter] The term of the current Diet session expires on 20 June. The opposition parties have finally worked out their political reform bills, and full-scale discussions will start in mid-April. If circumstances require, do you intend to have the package of the four bills pass the current Diet session, even if it means extending the session for a long time?

[Miyazawa] When counting the days of the current Diet session, we have plenty of time to discuss the four political reform bills at the current session. In-depth deliberations will be held at special committee sessions. Therefore, if we are determined, we cannot say that it is impossible for political reform to be carried out unless the session is prolonged. As I stated before, I think that we may face difficult consultations with the opposition parties. Nevertheless, we cannot say that we do not have enough time to carry out political reform. I think that we have more than enough time to do it.

[Reporter] There is a great difference between the LDP's political reform bills and the bills now being prepared by the SDPJ and Komeito. The point at issue in Diet deliberations may be how the LDP, the SDPJ, and Komeito will reach a compromise. Do you intend to stick to the LDP's bills? If this is the case, there is a possibility that both the LDP bills and the opposition parties' bills will be left over or scrapped. If this happens, the people will criticize the fact that no progress has been made in political reform. To escape the people's criticism, do you intend to proceed with political reform by making a compromise?

[Miyazawa] If your view means that we have to make a compromise with the opposition parties, this idea is not good. Every party thinks that its own bills are best. First, it is important to hold discussions. Some people often say that if all of the four bills cannot pass the Diet, it would be better that a few of them are approved. I think that such a view reflects defeatism.

[Reporter] You said that the LDP may face difficult consultations with the opposition parties, and then you said that you should not retreat but should tackle political reform with firm resolution. Do you mean that if the political reform bills are not approved at the current Diet session, you will make a bold decision?

[Miyazawa] Since we will now begin trying to carry out political reform with the intention of having the bills pass the current Diet session, we do not need to discuss at this moment what I need to do in case the bills are not approved. This is because we have much time to discuss political reform. If an issue like this is discussed now, we will not be able to start our work.

[Reporter] A while ago, while speaking about aid to Russia, you said that bilateral issues will not be included in the summit's agenda.

[Miyazawa] That was not what I said. I said that the summit is a summit; it is not a venue for bilateral negotiations.

[Reporter] Japan had a hard time trying to include the Russian issue, or the northern territories issue in the political declaration the G-7 summit issued last year. This was premised on Japan's principle of expanded equilibrium. From what you have said so far, I have the impression that in the summit discussions on aid to Russia you intend to shelve this principle temporarily.

[Miyazawa] I have not said anything like that.

[Reporter] You have not said such a thing?

[Miyazawa] No, I have not. Have I? [pauses] What I meant is that the summit is not the place to discuss bilateral disputes. [pauses] The territorial issue was confirmed in the declaration of last year's Munich summit.

[Reporter] The situation in Russia is chaotic, and I think it will be very difficult to plan ahead. What do you think the prospects are for resolving the Northern Territories issue?

[Miyazawa] I have no intention to confuse this with what I have just said, and I hope you will listen. By all means, it is very important for genuine friendly relations to be maintained between the two countries, as well as for a peace treaty to be signed. Even from Japan's standpoint of providing aid to Russia, it will be easier to win the people's understanding if such aid is based on friendly bilateral relations. I think that this is very important, and I will continue to think so. It is impossible for us to shelve this issue.

[Reporter] In your opinion, in relation to aid to Russia, if right now, President Yeltsin's political power base collapses, will Russia revert to an irrevocably conservative line, or will the reform line started by him not be changed so easily even if there is a leadership change? What is your view on this?

[Miyazawa] The reform line implemented by Mr. Yeltsin was promoted by him personally. Since Mr. Yeltsin is the first president ever elected in an open election, Japan will continue supporting the reform policy promoted by Mr. Yeltsin. We will not hesitate to provide assistance to help achieve reform. That is what I think, and the other G-7 nations think likewise. There is no mistake in this. However, as to the choice that the Russian people will make later on, because this is a question that depends on the sovereignty of another nation, I do not think it is proper for me to express my opinion. We have supported the reform line, and we will continue to do so in the future.

[Reporter] Nevertheless, with regard to the northern territories issue, last year Mr. Yeltsin suddenly canceled his visit to Japan, and negotiations on the issue have been shelved, or there has been an impasse in the negotiations. Under these circumstances, while the necessity of supplying aid to Russia at the summit is understandable, in terms of national sentiment, how do you intend to win the people's understanding for the fact that the Japanese Government has to continue giving aid to Russia after being treated so rudely, and to keep doing so without any positive gesture from Russia on the northern territories issue?

[Miyazawa] I think the Russians look at this in the same way that you have just described. It is unlikely that they do not understand this. It is true that our assistance should be

promoted in a friendly atmosphere to have our aid used effectively. I believe that the Russian leaders also understand this.

[Reporter] Let me change the topic. With regard to PKO [UN peacekeeping operations], the other day you made a decision to dispatch PKO contingents. You used to say that PKO personnel should not be sent left and right. While this concerns only the dispatch of election monitors, please tell us how you reached your decision.

[Miyazawa] I would like to tell you all about this. It is not an easy thing to send our compatriots to a foreign country to assist in UN peacekeeping activities. This is not a policy that the bureaucrats can just decide among themselves. Whether or not to dispatch personnel is something that the prime minister, who is the political official who is ultimately responsible to the people, should decide as the chairman of the PKO headquarters. This has become a controversial issue. I believe that this is a matter that allows no mistakes, and, therefore, I am rather grateful that this problem came to pass.

Of course, responsible working level officials have to think about all the necessary preparations for all eventualities; they have to do their job. In the current case, for instance, we have no diplomatic representation in Mozambique. We are not familiar with the local situation. If something happens, a diplomat has to be dispatched from Zimbabwe. Or else, we will not be able to conduct diplomatic negotiations. We have to carefully consider how to handle such a situation, resolve the problem of communication, and define our tasks in such a place before sending our compatriots. This is quite different from sending people to Cambodia, which we know quite well. What I wanted to say is that this is not a question on which the bureaucrats can make a casual decision. The chief cabinet secretary has also said the same thing.

Therefore, we sent a survey team to Mozambique. In the wake of the visit, we have become roughly acquainted with the situation and the work we have to do. Transportation work will probably consist of handling people and supplies arriving at the airport or port. We also learned that the site of operation is not in a remote area. With regard to the question of diplomats, we must find a way to station an experienced person regularly. Some measures also need to be taken in the area of communications.

In terms of living conditions, Mozambique is different from Cambodia. We are not in a position to build our own barracks to live in. We have to send another team to study how to deal with problems in living conditions, transportation, communications, and so on. After this, if we receive an official request from the UN, we will accept the mission.

[Reporter] What you have said is well understood. From the decisionmaking process involved in the issue of sending personnel to Mozambique, I have the impression that it has become inevitable to send PKO personnel automatically whenever a situation is deemed to comply to the five conditions stipulated in the PKO Cooperation Law.

[Miyazawa] That is the important point. From the very beginning, I have had no doubt that the situation complies with the five conditions. Otherwise, the whole matter would be out of the question. However, I definitely do not think that once the five conditions are met, we can send people anywhere. These are just the basic requirements to send them overseas. I would never think of sending SDF personnel anywhere in the world just because the five conditions are satisfied. If other people think this way, they are mistaken.

[Reporter] With regard to this issue, the chief cabinet secretary has stated that the decision was made after winning the people's understanding. Do you think that you have won the people's understanding and support in this decision?

[Miyazawa] At least, telling the people about what happened during the process of decisionmaking has helped in winning their understanding. Needless to say, it is not at all easy to ask people—especially when you are talking about dozens or hundreds of people—to go to a foreign country to engage in very strenuous tasks as representatives of the country. This is not something that we should do without the understanding and support of the people.

[Reporter] You will chair the summit in July. Indonesia's Mr. Suharto is reported to have expressed his desire to participate in the summit. Japan's approach to its neighbors should also be taken into consideration. As the summit chairman, what, in particular, do you plan to do in this respect?

[Miyazawa] At the upcoming summit—and this still has to be discussed by the sherpas—the main topics will be the establishment of peace in the post-cold war world, the world economy, the Russian issue, and the problems of developing countries. In terms of the last topic, this region, Asia, as everybody knows, has a very bright future. We want everybody to know this. Indonesian President Suharto hopes to discuss at the summit those positions of the nonaligned countries that have changed following the collapse of the Soviet Union. I would like to somehow reflect his opinions at the summit.

[Reporter] Mr. Prime Minister, the government is expected to hammer out an additional pump-priming package of fiscal measures to boost the economy. Do you have plans to take any actions in leading monetary policies? Do you think that there is no need for further cuts in the official discount rate?

[Miyazawa] The level of the official discount rate has been controlled by Bank of Japan Governor Yasushi Mieno, and I still trust in his ability to handle it. Rather, the focal point of monetary policies is the fact that commercial banks and other private financial institutes are currently unable to satisfy the brisk monetary demands of smaller businesses. They are asking for financial support from government-affiliated institutes. I think that the government is expected to reinforce public financial institutes' loans for smaller businesses, and I promise to carry it out. As reported by some news media, the government will help establish an inter-bank credit guarantee organization. While people sometimes question government expenditures for defensive purposes, the government intends to fulfill all monetary demands.

[Reporter] The United States has expressed its expectations for a full-scale pump-priming package from Japan. It is said that the Clinton administration will be dissatisfied if the

new package is not larger than the supplementary budget in fiscal 1992, and if only 50 percent of the 11-trillion yen package is earmarked for expanding Japan's domestic market. Do you agree with this opinion?

[Miyazawa] I do not think this is so. I believe that the United States will certainly be satisfied with my best plan.

[Reporter] Mr. Prime Minister, please let me ask if Japan, as the host nation of the G-7 summit, has plans to hammer out any major proposal for supporting Russia at the G-7 talks in mid-April.

[Miyazawa] You are asking whether the Japanese Government has plans to announce a new Russian aid package after the ministerial talks in mid-April, are you not? I think that the new aid package is unlikely to be ready by the April talks. Foreign and finance ministers of the G-7 nations and probably leaders of the former Soviet republics are going to get together at the Tokyo talks next month. I think that there is a possibility that the G-7 meeting may spell out a basic policy on aid to Russia. I think that is beneficial as long as it contributes to harmony among the G-7. However, to tell the truth, the G-7 is still undecided on the agenda of the Tokyo talks.

[Reporter] Mr. Prime Minister, what is your position on suspicions concerning North Korea's nuclear development?

[Miyazawa] If the DPRK possesses nuclear arms, this would be a threat to our nation. I think this is of great concern in terms of Japan's security. However, I think that North Korea will obtain nothing from its withdrawal from the NPT [Nuclear Nonproliferation Treaty]. I can hardly understand North Korea's true intention. I think that the nation is dangerous in a way since it chose isolation from the international community. In this sense, we must deal with the issue very carefully. We still have some two months before the deadline set by the International Atomic Energy Agency [IAEA]. We want North Korea to reconsider. We are trying to make the DPRK consider what it may possibly gain from its actions. It is important for North Korea to reconsider. To make them reconsider reasons for the fruitless efforts in a patient manner is more important than taking strong reactions. The future of this issue is still uncertain, but the IAEA and the UN Security Council have not taken immediate action against North Korea. I think that this is because we are trying to get the nation to reconsider its withdrawal from the NPT.

[Reporter] The South African president has recently disclosed that the nation used to possess nuclear arms. Also, the international community is concerned about the possibility of proliferation of nuclear arms from the former Soviet Union to nations such as North Korea and Iraq. Do you intend to permit Japan to take the leadership role in international efforts in nuclear nonproliferation?

[Miyazawa] In my opinion, Japan is already taking the lead in this field by ruling out its possession of nuclear arms. Japan is a member of the IAEA, and it greatly respects IAEA rules. I think that Japan is taking a leadership role by behaving as the best possible model of an anti-nuclear country. Our greatest contribution to the international community is the fact that we have showed the world our success without nuclear arms.

[Reporter] The value of the yen again has risen to 114 level. Under the current recession [words indistinct]. What do you think of the current yen appreciation?

[Miyazawa] The yen fluctuated greatly for several years after the 1985 Plaza Accord. We know from that experience that if the yen appreciates slowly, this will not prove disadvantageous for the Japanese economic community, and Japanese enterprises can deal with this. But, as you mentioned, we will be hard hit if recession and yen appreciation occur simultaneously. If the yen rises slowly without violent fluctuations and speculative moves, we have to consider this type of appreciation unavoidable. I just hope the current rise in the yen has not been triggered by speculative moves. It is acceptable if it occurs as a result of so-called orderly transactions.

[Reporter] I would like to again ask you about political reform. Earlier, you used the phrase: difficult consultations. I understand the LDP will have to coordinate opinions within the party if it intends to compromise with opposition parties on political reform. But my feeling is that the Diet will fail to adopt political reform-related bills if the LDP takes too much time to coordinate opinions within the party.

[Miyazawa] You are asking about how the political reform issue will ultimately be concluded. I do not know how to answer this. Nevertheless, I should say that political reform-related bills should be adopted during the current Diet session. The LDP will have to coordinate opinions within the party if it intends to compromise. But it is also possible that the party will not compromise. Therefore, I should be careful in answering your question.

[Reporter] My question is somewhat related to the issue of political reform. Recently, the media have reported moves toward a realignment of the political world. The LDP's Hata faction reportedly plans to form a new political party if political reform-related bills do not pass the current Diet session. What do you think of this?

[Miyazawa] I consider the faction's plan as a move to encourage political reform. I think that the faction is backing political reform efforts. In such a case, when everyone is making all-out efforts, we do not have to worry about the possibility of reform bills not being adopted.

[Reporter] Because of the recent series of political scandals, the people have lost confidence in politics. I think this deeply affects moves for the realignment of the political world. What is your opinion about the realignment itself?

[Miyazawa] Generally speaking, those who wish to achieve the realignment should have policies. Without policies, it is merely a game of numbers. This is not what the general public expects.

[Reporter] I understand you are determined to make an all-out effort toward achieving political reform. If the LDP fails to compromise with opposition parties, do you intend to seek public opinions to decide which reform bills should be adopted?

[Miyazawa] I do not think it is necessary. A decision will be made at the Diet session because each politician equally feels that he should do something. Also, the people are

watching what politicians are discussing at the session. I believe something will eventually be achieved.

[Reporter] Do you have any plan to go abroad during the upcoming Golden Week holidays? Also, what about after the July summit?

[Miyazawa] At the moment, I have no specific plan for a foreign tour during the May holidays. I think we will have eventful days both at home and abroad in April and May. Now, it is too late to make plans to go abroad.

[Reporter] During your meeting with the Korean foreign minister this afternoon, you reportedly said that you wanted to talk with the new Korean president in the near future. Can you define the near future?

[Miyazawa] I said that in a response to a message saying that Korean President Kim Yong-sam wants to hold summit talks. The foreign minister did not mention the president's schedule for this. I presume he will be busy in dealing with domestic and foreign affairs for the time being. Therefore, although I really wish to talk with the president, the foreign minister and I did not discuss the specific timing of such a summit.

[Text] [Reporter] After the current Diet session ends, the Tokyo summit will be held in July, and the LDP presidential election is scheduled for September. As of right now, what do you think of the presidential election?

[Miyazawa] From this point in time, spring and summer will come, and September is still far off. Since there is so much time, honestly speaking, I have no specific plan. All I can say is that I will do my best in my day-to-day work.

[Reporter] Today, testimony was given at the Diet on former LDP Vice President Kanemaru's money scandal. What do you think of this?

[Miyazawa] At every opportunity I have expressed my various feelings on the scandal. As you know, he was indicted on a charge of income tax evasion. I, in my capacity as a politician who assumes the reins of government, express my deepest apologies to our people for the fact that his case has exacerbated the people's distrust in politics.

[Reporter] You appointed former Diet member Kanemaru as LDP vice president. What about this?

[Miyazawa] I also feel responsible for this appointment.

SDP, Komeito Approve Alternative Reform Package

OW0104051093 Tokyo KYODO in English 0359 GMT 1 Apr 93

[Text] Tokyo, April 1 KYODO—The Social Democratic Party (SDP) and Komeito on Thursday approved a package of five political reform bills as an alternative to a similar package revealed by the ruling Liberal Democratic Party (LDP) the previous day. The bills proposed by the two leading opposition parties would ban corporate donations to individual politicians and introduce a proportional representation system combined with single-seat constituencies for elections to the House of Representatives.

Following their submission to the Diet, the ruling and opposition parties' packaged bills are expected to come under parliamentary scrutiny from around April 13, party officials said.

The SDP-Komeito electoral bill calls for cutting the number of lower chamber seats to 500 from the current 512. It calls for electing 200 legislators through a single-seat electoral system, while the remaining 300 seats would be decided through the proportional representation system.

The bill calls for dividing the nation into 12 electoral blocs and 200 single-seat constituencies.

The proposed amendment to the Political Funds Control Law would oblige politicians to disclose the identity of donors and the amount of all donations of 10 000 yen or more per year, as against a disclosure threshold of 600,000 yen in the corresponding LDP bill.

Politicians who receive jail terms for breaching the revised law would lose their civil rights and be barred from running again in elections for five years after the completion of the jail term. For suspended jail terms, the penalty would apply for the duration of the sentence.

Politicians fined for violating the law would be barred from running again for five years after his or her conviction is upheld through court proceedings.

Another bill would obligate all Diet members to report to the heads of newly created political ethics panels in both houses of parliament the value of their assets as of the day they were elected, as well as their annual income.

North Korea

IAEA, Others Discuss Nuclear Treaty Withdrawal

IAEA Votes To Take Case to UNSC

AU0104100193 Paris AFP in English 0945 GMT 1 Apr 93

[Text] Vienna, April 1 (AFP)—The International Atomic Energy Agency (IAEA) Thursday decided to take North Korea before the U.N. Security Council over its refusal to comply with demands to inspect its suspected nuclear sites. A resolution, sponsored by 21 countries, including the United States and several other Western countries, was adopted by 28 votes, with China and Libya voting against and four more countries abstaining.

IAEA Rejects 'Regular Inspections' Offer

SK0104003793 Seoul YONHAP in English 0009 GMT 1 Apr 93

[Text] Vienna, April 1 (YONHAP)—The International Atomic Energy Agency's [IAEA] Board of Governors is expected to adopt a resolution Thursday designating North Korea a violator of the Nuclear Nonproliferation Treaty [NPT] and referring the North Korean problem to the United Nations Security Council. Adoption of the resolution, tabled by South Korea, the United States, Japan and other major board members, will come at the end of a special board meeting convened Wednesday.

The resolution will inform the United Nations General Assembly and all IAEA member nations of North Korea's violation of the NPT and urge North Korea once again to

accept special IAEA inspections of its nuclear facilities. Prior to the special conference, the Board of Governors held an informal consultative meeting Wednesday morning and listened to a report by Hans Blix, IAEA Director-General, and exchanged views on aspects of the proposed resolution, referring the North Korean nuclear issue to the U.N. Security Council.

At the consultative meeting, a majority of the Board of Governors supported the proposal to refer the North Korean issue to the U.N. Security Council. China, however, opposed the move, repeating its position that the issue should be resolved through dialogue. But Blix, in his report, noted that North Korea was not carrying out its obligations as a signatory of the NPT and was refusing to allow temporary as well as special IAEA inspections. The IAEA could no longer confirm whether North Korea was abusing nuclear materials, Blix said.

Meanwhile, North Korean Ambassador Kim Kwang-sop reaffirmed that his country will not accept special IAEA inspections on two facilities in the Yongbyon nuclear complex, North of Pyongyang. Kim said, however, that North Korea could negotiate with the IAEA on regular inspections since the North Korean decision to withdraw from the NPT takes effect about three months from now. An official of the Board of Governors said Kim's offer was meaningless because the issue at point was special inspections on the two unreported facilities and not regular inspections.

PRC Spokesman Opposes 'Sanctions'

SK0104130693 Pyongyang Korean Central Broadcasting Network in Korean 1215 GMT 1 Apr 93

[Text] The spokesman of the Chinese Foreign Ministry, answering a question from a journalist on the U.S. secretary of state's proposal to impose sanctions on the DPRK on 30 March, said that the problems between the DPRK and International Atomic Energy Agency should be resolved in an appropriate manner through patient negotiations. Exerting pressure and imposing sanctions will only complicate rather than help settle it.

Syria, SRV, India, Pakistan Abstain

SK0104111093 Seoul KBS-1 Radio Network in Korean 1000 GMT 1 Apr 93

[Text] The International Atomic Energy Agency [IAEA] accepted a resolution to refer the North Korean nuclear issue to the United Nations, through a vote taking place at 1800 Korean time [0900 GMT]. Vienna-based correspondent Cha Man-sun reports:

[Begin Cha Man-sun recording] North Korea turned a deaf ear to the international organization's steady persuasion, thus gaining a new criminal record where it has violated an international treaty.

The IAEA held the second-day session of the special Board of Governors meeting at 1700 Korean time. After listening to the pros and cons of the North Korean nuclear issue, the IAEA accepted the resolution to refer the issue to the UN Security Council.

The IAEA Board of Governors began to vote on the resolution. Twenty-eight countries supported the resolution, two countries were against the resolution, and four countries abstained from voting. Thus the resolution was accepted. China and Libya were against the resolution. Four countries—India. Pakistan, Syria, and Vietnam—abstained from voting.

In the course of accepting the resolution, more than 20 membership countries of the IAEA Board of Governors agreed to the IAEA secretary general's report that North Korea challenged the authority of the IAEA and the Board of Governors meeting by not implementing the nuclear treaty. They strongly supported referring the nuclear issue to the UN Security Council. China, Syria, and Libya stressed that the IAEA try to resolve the North Korean nuclear issue.

The IAEA Secretariat decided to report within 10 days North Korea's nonimplementation of the nuclear treaty and the resolution of the Board of Governors meeting to the UN Security Council, the UN General Assembly, and all UN members.

Meanwhile, the IAEA decided that, even after it refers the North Korean issue to the UN Security Council, it will open the door to North Korea and prepare a countermeasure. The adoption of the resolution has revealed the limited nature of the IAEA. Thus, the issue of strengthening the IAEA's function becomes an urgent issue.

In particular, North Korea has caused countries which supported it in the past to turn their backs on North Korea. North Korea also has caused increased suspicion concerning its nuclear development. [end recording]

IAEA Spokesman Previews Issue

AU3103133193 Cologne Deutschlandfunk Network in German 1110 GMT 31 Mar 93

["Telephone" interview with Hans-Friedrich Maier, spokesman for the International Atomic Energy Agency, in Vienna, by Hans-Joachim Wiese in the studio in Cologne—live]

[Text] [Wiese] Mr. Maier, there have been contradictory pieces of information. From the South Korean capital of Seoul one has heard that North Korea is not ready to allow inspections [of its nuclear installations], while North Korea's ambassador to Vienna hinted that, under certain conditions, such inspections might be possible. Which is true?

[Maier] Both are true. The industry minister of North Korea, Mr. Chie, sent a telefax to our director general last night, in which he emphasized that the special inspections which we would like to carry out in the two installations in order to clear existing differences will not be permitted, but that North Korea is ready to talk about other inspections and, in general, about obligations under the [word indistinct] agreement.

[Wiese] So could one say that the ultimatum has been respected, after all?

[Maier] This question has to be decided in the formal session of the Council of Governors this afternoon. At the moment one cannot yet give a clear answer, because the issue has been vehemently discussed this morning. Nevertheless, for us it is important—and the agreement entitles us to this—to visit these two places. They are not nuclear installations but disposal sites for radioactive waste. We want to take samples there to find an explanation for the

differences that we have noted in our measured values in the declared nuclear facilities. So all we want to do is to account for these inconsistencies, and basically dispel our suspicion, if North Korea really does not have any nuclear [word indistinct].

[Wiese] Let us assume that North Korea does have such incriminating nuclear facilities and the ultimatum expires. What might be some of the consequences that you will discuss today?

[Maier] As far as the International Atomic Energy Agency [IAEA] is concerned, it cannot enforce the necessary consequences. This is why the resolution will most probably include a passage in which our director general will be requested to report to the UN Security Council. Our statutes provide for that. The Security Council will then have to discuss the further consequences, political consequences. The UN Security Council will then have to cover the political level.

[Wiese] What could the consequences of the UN Security Council look like?

[Maier] Since North Korea is a rather isolated country, the cooperation of those countries that can still exert some influence on North Korea would be indispensable; these countries would have to try to bring North Korea back into the group of member states of the Nuclear Nonproliferation Treaty. The consequences would be to provide assistance for doing this. One might also give an impetus from the South Korean side, for example by giving up military exercises and similar things, which North Korea regards as threats. These are not sanctions, but there are certain steps that one might take to make North Korea change its position on this issue.

[Wiese] My last question: Does the IAEA start from the assumption that North Korea has nuclear weapons?

[Maier] The IAEA cannot start from such an assumption before it has a comprehensive picture of the situation. At the moment we are unable to get that comprehensive picture, because we cannot carry out special inspections. At the moment there are differences, and before we are able to come up with such a statement, we would like to have a clear picture, which, right now, we are unable to get.

DPRK Envoy to Russia Comments

SK3103145893 Pyongyang Korean Central Broadcasting Network in Korean 1304 GMT 31 Mar 93

[Text] A spokesman for our country's Foreign Ministry issued a press statement [tamhwa]. Son Song-pil, our country's ambassador to Russia, gave an interview to ITAR-TASS correspondent on 29 March regarding this statement. The ambassador first informed them of the press statement by the DPRK Foreign Ministry spokesman. He revealed the maneuvers by the United States and some officials of the International Atomic Energy Agency [IAEA] Secretariat to bring the issue concerning our country's withdrawal from Nuclear Nonproliferation Treaty [NPT] to the UN Security Council and impose the so-called collective sanctions on us. He said: Bringing the issue of our country's withdrawal from the NPT to the UN Security Council, using nonimplementation of the Safeguards Accord as a pretext, is not justifiable.

Our country's withdrawal from the NPT was a self-defensive measure to defend its supreme interests and national sovereignty. Even though our country had signed the NPT and had been implementing it sincerely, the United States started the aggressive Team Spirit nuclear war exercise and thus threatened us militarily. It also instigated some IAEA officials to pressure us to receive the so-called special inspections [tukpyolsachal] of our military facilities [kunsadaesang] and thus attempted to threaten the country's independence and security and crush our socialist system to death. Under these circumstances, our country could no longer implement its duties under the Nuclear Safeguards Accord.

The United States is wholly responsible for the fact that our country had no choice but to withdraw from the NPT. We have never violated the Nuclear Safeguards Accord, invaded any other country, or threatened anyone else. It is not we who are violating the Nuclear Safeguards Accord but the United States and some officials of the IAEA Secretariat and some IAEA member countries that are following the U.S. script.

Therefore, trying to present the issue of our country's withdrawal to the UN Security Council and impose collective sanctions on us using nonimplementation of the Safeguards Accord as a pretext is completely groundless. He also revealed that the United States and some IAEA officials had been applying double standards to our country. He went on to say: The United States and some officials of the IAEA Secretariat are loudly babbling that we, who have no nuclear weapons, are developing nuclear weapons, while turning a blind eye to Japan, who has been accelerating nuclear armaments after accumulating more plutonium than necessary; and to South Korea, Israel, and South Africa, which have already completed nuclear weapons development, and are taking no measure against them.

Also, the United Nations has never made an issue of or imposed sanctions on the United States, which developed nuclear weapons, sold them to other countries, and deployed them in other countries as it had wished and which had threatened other countries with nuclear weapons. The United States and some officials of the IAEA Secretariat are still persistently maneuvering at all costs to threaten us to revoke our measure on the withdrawal and receive special inspections [tukpyolsachal].

Signing or withdrawing from an international treaty concerns each country's sovereignty. Therefore, no one can meddle in this. They must know that no threat, blackmail, strong-armed tactic, or policy of applying double standards will not work as far as we are concerned.

The United States must abandon its policy of considering us to be hostile at the earliest possible date, withdraw its nuclear weapons and troops from South Korea, stop directing nuclear threats at us, and publicly promise that an unconditional nonuse of nuclear weapons against us is guaranteed [uriege mujogonjogin haekpulsayong tamborul kongyakhayoyahanda].

The best way to achieve this is for the DPRK and the United States to hold negotiations based on equality and reciprocity in which mutual trust is guaranteed. If the United States and some officials of the IAEA Secretariat unjustly present our nuclear issue to the UN Security Council and continue to

pressure us, we will have no alternative but to take a strong self-defensive measure against it. Following this, the ambassador answered correspondents' questions. ITAR-TASS carried the details of the interview on 30 March.

Countries Denounce Inspection 'Scheme'

SK0104081593 Pyongyang KCNA in English 0504 GMT 1 Apr 93

[Text] Pyongyang, April 1 (KCNA)—The scheme of the United States and the International Atomic Energy Agency [IAEA] for a "special inspection" of the Democratic People's Republic of Korea is denounced in different countries.

The Federal Committee of Socialist Youth, the Collective of Communist Youth, the Union of Communist Youth and the Socialist Students Union of Spain issued a joint statement on March 23 on the tense situation created on the Korean peninsula and sent it to the president of the U.N. Security Council, the director-general of the International Atomic Energy Agency, the foreign minister, the Socialist Workers' Party and newspaper offices and news agency of Spain.

The joint statement said that the joint declaration on the denuclearisation of the Korean peninsula is exposed to danger owing to the U.S. moves to force a "special inspection" of military sites of the DPRK by manipulating the IAEA, and held that the pressure on and confrontation with Korea must be ended.

E.G. Williams, general secretary of the Ghana-DPRK friendship association, in a letter of protest addressed to the U.N. Secretary General on March 18, demanded that the secretary general and the United Nations impartially assess the problem of nuclear inspection of Korea and reject all the manoeuvres of the United States and its followers to put an unreasonable pressure on the Democratic People's Republic of Korea.

The Belgian Committee for the Peace and Reunification of Korea in a letter to the director general of the IAEA on March 12 said that for the IAEA to demand a "special inspection" of military sites of the DPRK, which is outside its competency, on the basis of false information provided by the United States, at its instigation, is a wanton violation of the sovereignty of the DPRK, and strongly urged the IAEA to revoke the "resolution on special inspection" without delay and make an overall inspection of the nuclear bases in South Korea.

'Military Sources': U.S. Continues 'Aerial Espionage'

SK0104080093 Pyongyang KCNA in English 0445 GMT 1 Apr 93

[Text] Pyongyang, April 1 (KCNA)—The U.S. imperialists continue aerial espionage on the northern half of Korea with U-2, RV-1 and other reconnaissance planes, according to military sources. Their espionage flights numbered more than 140 during the field drill of the aggressive "Team Spirit 93" joint military manoeuvres and over 300 in March.

Russian Diplomats: DPRK GNP Shrank 30 Percent in 1992

OW3103094293 Tokyo KYODO in English 0905 GMT 31 Mar 93

[Text] Beijing, March 31 KYODO—North Korea's economic woes are far more severe than previously estimated, according to reports compiled by East European and Russian diplomats in Pyongyang. Informed sources Wednesday [31 March] quoted the diplomats as having said the isolationist state's Gross National Product (GNP) may have shrunk 30 percent last year, six times bigger than the 5 percent estimated by South Korean and western sources earlier this year. The figures suggest North Korea, one of the last bastions of communism, has an economic crisis far more severe than previously believed, analysts said.

The diplomats have reported that North Korea maintains the bare minimum limit on necessary goods that the self-sufficient economy can provide. They said the collapse of the government appears unavoidable given the state of the economy. The country has a population of 22 million.

At the height of the Cold War, North Korea's economy was propped up by Beijing and Moscow. But with the collapse of communism in the former Soviet Union and eastern Europe, North Korea has been forced to stand alone. Beijing, which in the past accepted barter trade, now demands hard cash, according to an expert on North Korean affairs in Beijing. When it had outside support, North Korea's economy was surpassing that of the now prosperous South and figures on economic conditions were readily available. But Pyongyang in recent years has stopped putting out economic statistics.

According to diplomatic sources, the collapse in economic growth is the result of failures in the mining industry which accounts for 40 percent of the North Korean GNP and has led to serious power shortages. Coal mining, which accounts for 70 percent of North Korea's energy, fell to 20 million tons in 1992 from 31 million tons the previous year. The iron and steel industry contracted 47 percent from the year before to two million tons last year.

Likewise, cement production fell 44.5 percent to four million tons and oil refining declined 27.8 percent to 1.3 million tons. Three years of bad weather has plagued farmers and rice production fell 17 percent from 1991 and 30 percent from 1990 to 2.9 million tons in 1992. Corn production, however, grew 22.8 percent from 1991 to 2.2 million tons in 1992 and the harvest of Chinese cabbages was slightly higher at 3.6 million tons in 1992 than in 1991. According to the sources, agricultural imports from China will continue to help North Korea overcome the tough times and there is no immediate likelihood of large-scale famine.

Defector: DPRK 'Genuine Society' for People

SK0104113493 Pyongyang KCNA in English 1020 GMT 1 Apr 93

[Text] Pyongyang, April 1 (KCNA)—Chon Pong-yu who defected from South Korea recently told KCNA [Korean Central News Agency] that he had keenly felt that the North was a genuine society for the people.

He was the representative of the "Han" Books Publishing House of South Korea before coming to the North.

Recalling that the dear leader Comrade Kim Chong-il sent a gift to him on the new year, he said:

"I have never been told that the leader of a country paid attention to an ordinary man and sent even a gift to him. Words fail to express my feelings.

"When they heard the news of the election of dear Mr. Kim Chong- il as supreme commander of the Korean People's Army before my coming to the North, South Korean people were unanimous in saying that with the dear leader as the supreme commander, the North would come to the fore as a more powerful state."

Noting that the South Korean people were convinced that national reunification would be achieved by the great leader President Kim Il-song and the dear leader Mr. Kim Chong-il, he vowed to do his utmost for the noble cause of reunification, holding them in high esteem.

Yi Chong-ok Arrives in Nepal After Leaving India

SK0104084793 Pyongyang Korean Central Broadcasting Network in Korean 1510 GMT 30 Mar 93

[Text] Comrade Yi Chong-ok, vice president of the DPRK and a special envoy of the great leader Comrade Kim Il-song, on 27 March arrived in Katmandu for a visit to Nepal.

At the airport, he was greeted by Krishna Prasad Bhattarai, president of the Nepali Congress Party; (Madan Komar Bhandari), general secretary of the Nepali Communist Party-Marxist-Leninist; Narayan Man Bijukchhe, chairman of the Nepal Workers' and Peasants' Organization; Tulsi Lal Amatya, chairman of the Nepal Communist Party-(Amatya); other personages concerned, and our country's ambassador to Nepal. The special envoy had left New Delhi after completing his visit to India.

Kang Song-san Greets PRC's Li Peng on Renomination

SK0104090093 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 30 Mar 93

[Text] Comrade Kang Song-san, premier of the Administration Council, sent a congratulatory message to Comrade Li Peng, premier of the State Council of the PRC.

The message extended warm [yolyolhan] congratulations to Comrade Li Peng for being renominated as premier of the State Council during the first session of the Eighth National People's Congress of the PRC. The message sincerely wished him greater success in his responsible efforts in building China's socialist characteristic. The message expressed the firm belief that the traditional friendship and cooperative relations between the peoples of the two countries will be continually strengthened and developed.

Daily Marks Founding of Islamic Republic of Iran

SK0104102593 Pyongyang KCNA in English 1006 GMT 1 Apr 93

["17th Anniversary of Proclamation of Islamic Republic of Iran "—KCNA headline]

[Text] Pyongyang, April 1 (KCNA)—NODONG SINMUN here today dedicates a by-lined article to the 17th anniversary of the proclamation of the Islamic Republic of Iran.

The Iranian people are now actively striving to clear away the damage of the war and achieve the political stability and economic self-support of the country, the article says, and goes on:

"The Islamic Republic of Iran develops relations with other countries on the basis of mutual respect in international relations.

"Iran, a member state of the non-aligned movement, is making every effort to expand and develop the movement and South-South cooperation.

"The Iranian people are building a new life amid the kontinued anti-Iran campaign of the imperialist reactionaries.

"Korea and Iran established diplomatic relations at ambassadorial level in April 1973 and the friendly and cooperative relations are developing favourably.

"The efforts of the Iranian people to build a new prospering developed country will bear good fruition."

Regular Pyongyang-Bangkok Air Service Begins

SK0104112593 Pyongyang KCNA in English 1033 GMT 1 Apr 93

[Text] Pyongyang, April 1 (KCNA)—A Pyongyang-Bangkok regular air service will be opened from April 5, 1993, according to the DPRK-Thailand inter-governmental agreement on air service.

The CL-62 Koryo airliner is to take off from Pyongyang at 18:10 local time every Monday and arrive in Bangkok at 22:30, In a nonstop flight over China, Vietnam and Laos.

The plane will leave Bangkok at 00:30 Tuesday and land in Pyongyang at 08:30 through the same course.

The regular air service will help to further develop the friendly and cooperative relations between the DPRK and the Kingdom of Thailand and provide convenience for those travelling between the two countries.

Kim Chong-il Inspects International Children's Camp

SK0104062793 Pyongyang KCNA in English 0443 GMT 1 Apr 93

[Text] Pyongyang, April 1 (KCNA)—The dear leader Comrade Kim Chong-il went round the newly-built Songdowon International Children's Union Camp on March 30.

He was accompanied by Kim Ki-nam and Kim Kuk-tae, members and secretaries of the Central Committee [C.C.] of the Workers' Party of Korea [WPK]; Chang Song-taek and Choe Pong-man, members and department directors of the C.C., the WPK; Choe Yong-hae, member of the C.C., the WPK and chairman of the C.C., the League of Socialist Working Youth of Korea; and officials concerned.

The camp built in Wonsan, a picturesque coast city, is another gift carrying deep love presented to the rising generation by the WPK which spares nothing for the posterity, regarding the children as the king of the country.

It has been built splendidly so that Korean and foreign children may fully enjoy their camping and promote friendship.

The camp with a floor space of more than 40,000 square metres and an accommodation capacity of 1,200 is a centre of the children's union members' extramural activities. It is equipped with all facilities on the highest level for the study of members of the children's union, their life, extramural

sports, cultural activities and amusement including a 1,200-seat theatre, bedrooms, study rooms, a room of the children's union members, a musical room, a room for the dissemination of the knowledge about mountaineering and maritime activities, a football ground, a court, a swimming pool and other sports facilities.

Going round bedrooms and rooms of circles, and other rooms [words indistinct] he acquainted himself in detail with the building of the camp, its accommodation capacity, cultural and amusement facilities, etc. and expressed great satisfaction at the building of the fashionable camp in a scenic spot on the seaside which matches its surrounding scenery. He extended thanks to the designers and soldier-builders who admirably did a great deal of work in a year or more.

Saying that by constructing the camp, our people had created in the Workers' Party era another valuable wealth to be handed down to the posterity, he indicated concrete tasks and ways for the construction and operation of camps.

Noting that the children's union camps were making an important contribution to rearing children, the valuable treasure of the country, as heirs to the revolution who are knowledgeable, virtuous and healthy, he said modern children's camps should be built more in all provinces in the future.

He said it was mainly for the greatest happiness of the posterity that the Korean people were steadily advancing the revolution, braving mani-fold difficulties and trials.

Pointing out that the Songdowon International Children's Union Camp should receive a larger number of children from other countries, he said the C.C., the League of Socialist Working Youth of Korea and its organizations at all levels should more energetically undertake various work to strengthen solidarity with foreign youth and school children and relevant organs should render good international air services to the campers from other countries so that they may not feel any inconvenience in their trips.

Radio Interviews Agricultural Committee Officials

SK3103141093 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 29 Mar 93

[Text] In response to the programmatic teaching which the great leader Comrade Kim Il-song gave when guiding agricultural works for various provinces, officials of the Agricultural Committee and agricultural workers in various places are vigorously waging the struggle to glorify this meaningful year, the 40th anniversary of the war victory, with the spirit—which they displayed during the period of the state of semi-war—by assuming the attitude of revolutionary masters and highly displaying the revolutionary spirit of self-reliance and arduous struggle.

Central station reporter Kim Chun-po met with Vice Agricultural Committee Chairman Comrade Chon Song-hwan, and Comrade Sin Hyong- kyu, director of a department of this committee.

[Begin recording] [Kim Chun-po] Vice Chairman of the Agricultural Committee Chong, you have heard the programmatic teaching which the great leader Comrade Kim Il-song gave when guiding agricultural works for various provinces. I think your feeling will be very different from other people's feelings.

[Chong Song-hwan] Yes. The great leader, who has devoted himself to our people's happiness throughout his life, has again recently convened consultative meetings of agricultural officials and officials of the agricultural irrigation sector; acquainted himself in detail with agricultural production in all provinces, plain areas, intermediary and mountainous areas, and hilly areas in recent years; and advanced highly important tasks to continue to implement the party's agriculture-first policy to the letter and bring about a new upswing in agricultural production.

The great leader taught that to raise the per-hectare yield is an important way of increasing the grain output in our country, where there are many mountains and where arable land is limited. He also taught that we must effect a radical change in grain output by fully meeting the requirements of the chuche method of farming.

He taught that three items are necessary in order to farm well: seed, fertilizers, and water. He also taught that all of the cooperative farms across the country must sow high-yield seeds suited to their topographical features and climate, produce larger quantities of organic mineral fertilizers as well as chemical fertilizers, apply sufficient amounts of varieties of necessary fertilizers, adjust and reinforce the irrigation system and facilities, and amply water all paddy and non-paddy fields.

The great leader Comrade Kim Il-song also taught that while boosting grain output, stock-breeding, pomiculture, sericulture and other sectors of agriculture should be developed in conformity with natural and geographical conditions. During the consultative meetings, President Kim Il-song went round to see new farm machines and set forth tasks to complete the comprehensive mechanization of agriculture.

[Kim] I want to hear the fervent voices of Agricultural Committee officials and agricultural workers in various places who have unanimously risen up to implement the great leader's programmatic teaching.

[Sin Hyong-kyu] The great leader has taught that whether the important and grand agricultural tasks will be implemented successfully greatly depends on how hard our guidance officials carry out their activities.

With the spirit that they demonstrated during the state of semi-war, our Agricultural Committee officials and all agricultural workers in North and South Hamgyong Provinces and agricultural workers in various other places are strongly resolved to work and live combatively and in a tense and mobilized posture; assume the attitude of masters in carrying out the revolution; highly demonstrate the revolutionary spirit of self-reliance and arduous struggle; and decorate this meaningful year, the 40th anniversary of the war victory, with bumper crop without fail, and thus repay the great leader Comrade Kim Il-song's high expectations and trust with loyal deeds. [end recording]

Mass Rallies Held To Implement Kim Chong-il's Order

SK3103133693

[Editorial Report] Pyongyang Korean Central Broadcasting Network in Korean on 23 March carried recorded coverage of mass rallies held in various provinces "to implement the order given by the respected and beloved Supreme Commander of the Korean People's Army [KPA] Comrade Kim Chong-il to cope with a grave situation created in our country by the Team Spirit-93 joint military exercise."

Pyongyang Korean Central Broadcasting Network in Korean at 1230 on 23 March begins recorded coverage of a mass rally held in South Hwanghae Province.

An announcer reports that the following persons attended the rally: Paek Pom-su, responsible secretary of the South Hwanghae Provincial party committee and chairman of the South Hwanghae Provincial People's Committee; Choe Hong-chu, chairman of the Administrative and Economic Guidance Committee; responsible functionaries of local party and government agencies, administrative and economic agencies, and working organizations; KPA officers and men; heroes; persons of distinguished service; and working people in the city.

Pyongyang Korean Central Broadcasting Network in Korean at 1245 on 23 March begins recorded coverage of a mass rally held in Yanggang Province.

An announcer reports that the following persons attended the rally: Yi Kil-song, responsible secretary of the Yanggang Provincial party committee and chairman of the Yanggang Provincial People's Committee; Kim Hun-sam, chairman of the Administrative and Economic Committee; responsible functionaries of local party and government agencies, administrative and economic agencies, and social organizations; KPA officers and men; soldiers of the People's Army; veterans and heroes of the Fatherland Liberation War; persons of distinguished service; and standard-bearers of the Three Revolutions Team.

Pyongyang Korean Central Broadcasting Network in Korean at 1300 on 23 March begins recorded coverage of a mass rally held at Sariwon Plaza in North Hwanghae Province.

An announcer says: "Attending the rally were Choe Mun-son, responsible secretary of the North Hwanghae provincial party committee and chairman of the North Hwanghae Provincial People's Committee; Yang Man-kil, chairman of the Administrative and Economic Committee; responsible functionaries of local party and government agencies, administrative and economic agencies, and working organizations; KPA officers and men; heroes; persons of distinguished service; and some 40,000 working people, youths, and students in Sariwon city."

Pyongyang Korean Central Broadcasting Network in Korean at 1314 on 23 March begins recorded coverage of a mass rally held in Kanggye County, Chaggang Province.

An announcer says: "Attending the rally were Yon Hyong-muk, alternate member of the Political Bureau of the Workers Party of Korea Central Committee, responsible secretary of the Chaggang Provincial party committee, and chairman of the Chaggang Provincial People's Committee; Kim Chong-ho, chairman of the Administrative and Economic Committee; responsible functionaries of local party and government agencies, administrative and economic agencies, and working organizations; KPA officers and men; heroes; persons of distinguished service; some 50,000 working people, youths and students in Kanggye city."

KCNA Reviews 1 Apr Pyongyang Press

SK0104082093 Pyongyang KCNA in English 0519 GMT 1 Apr 93

[Press review]

[Text] Pyongyang, April 1 (KCNA)—Papers here today report that the dear leader Comrade Kim Chong-il went round the newly-built Songdowon international children's camp.

Papers report about deep respect and reverence for the great leader President Kim Il-song expressed by home people and foreigners on the threshold of his birthday.

According to NODONG SINMUN, Comrade Kim Chong-il extended thanks to party members and other working people who had done good things for the society and the collectives.

Printed in the paper are solidarity messages to Comrade Kim Chong-il from foreign party and party leaders denouncing the "Team Spirit 93" joint military exercises of the United States and the South Korean authorities as well the "special inspection" campaign of the United States and the International Atomic Energy Agency.

Given in the press is an account of a national seminar on Comrade Kim Chong-il's classical work "Abuses of Socialism Are Intolerable".

Foreign media reported the communique of the supreme command of the Korean People's Army on lifting the semi-war state, says NODONG SINMUN.

The press reports about the fulfilment of the assignments for the first quarter of the year at different units of the national economy including the Musan Mining Complex, the Pyongyang thermal power complex, the Nakwon machine complex and the Korea silk corperation and seed sowing on cooperative farms.

NODONG SINMUN introduces the 11th April spring friendship art festival which is scheduled in Pyongyang.

It is reported in the press that a spokesman for the Chinese Foreign Ministry, as regards the DPRK Government statement declaring its withdrawal from the NPT [Nuclear Nonproliferation Treaty], stressed that the problem between the DPRK and the International Atomic Energy Agency should be settled through consultations. Conveyed in the press is international reaction supporting the statement.

The South Korean news columns of papers include the reports that students of the Seoul-inchon district federation of general student councils of South Korea staged an anti-American demonstration in front of the U.S. embassy in Seoul and the U.S. 8th army base and South Korean students struggled in demand of the dissolution of the "security planning board".

Papers inform the readers that the U.S. imperialists and the South Korean puppets staged a joint air war exercise against the North.

In a semi-monthly review of the South Korean situation NODONG SINMUN says the U.S. imperialists and the South Korean authorities brought the situation of the Korean peninsula to the brink of war by staging the "Team Spirit 93" joint military exercises.

The daily carries an indictment of the Korean Academic Society of International Law exposing to the international community the heinous crimes against humanism in massacring millions of Koreans during the Japanese imperialists' occupation of Korea (1905-1945).

Given in the press is an account of an international symposium of delegates of communist and workers parties of East European countries.

Papers observe the 17th anniversary of the proclamation of the Islamic Republic of Iran.

South Korea

DPRK Envoy: IAEA Resolution 'Unreasonable Step'

SK0104124493 Seoul YONHAP in English 1227 GMT 1 Apr 93

[Text] Vienna, April 1 (YONHAP)—The Board of Governors meeting of the International Atomic Energy Agency (IAEA), branding North Korea as a violator of the Nuclear Safeguards Agreement, on Thursday adopted a resolution on the transfer of the North Korean nuclear issue to the United Nations Security Council. Of 34 Board of Governors countries present, 28 voted for the resolution jointly proposed by 22 countries, two against it and four abstained. China and Libya said "No" and the four abstaining nations were India, Pakistan, Syria and Vietnam.

Under the resolution, North Korea's non-compliance of the safeguards agreement is to be notified promptly to the U.N. Security Council, U.N. General Assembly and all IAEA Board of Governors countries. It was the first time in the IAEA's history that the U.N. agency has ever branded a country being in non-compliance of the safeguards agreement and referred it to the U.N. Security Council.

The resolution also said the IAEA was not able to verify that there has been no diversion of nuclear material required to be safeguarded under the terms of the safeguards agreement. At the same time, it urged North Korea again to accept IAEA inspections of two of its undeclared facilities.

Meanwhile, North Korean ambassador in Vienna Kim Kwang-sop said his country could not accept the IAEA resolution which he described as an "unreasonable step." Kim argued that it was not North Korea but the IAEA itself that did not comply with its obligations.

Insisting that the IAEA's transfer of the nuclear issue to the U.N. Security Council would not lead to resolving the problem but would only bring about confrontation, Kim said North Korea would take necessary self-defense measures for its own security. He said, however, he cannot elaborate on what the self-defense measures would be.

Minister: U.S., ROK Objectives Differ on DPRK

SK0104034093 Seoul YONHAP in English 0242 GMT 1 Apr 93

[Text] Tokyo, April 1 (YONHAP)—South Korean Foreign Minister Han Sung-chu acknowledged Thursday that Seoul and Washington, while they are in general agreement on how to solve North Korea's nuclear problem, have different immediate objectives. Han, arriving on the last leg of his trip after a week-long visit to the United Nations and Washington, told accompanying reporters that the difference was that the United States emphasizes maintenance of the Nuclear Nonproliferation Treaty (NPT) itself while South Korea cares more that North Korea accepts international nuclear inspections.

North Korea announced last month it was renouncing the NPT, which would automatically nullify its obligation with the International Atomic Energy Agency (IAEA) to open up its nuclear installations and materials to regular inspections. Pyongyang's NPT withdrawal becomes final on June 12, and Han and leading U.S. officials discussed a wide range of "carrot and stick" alternatives to press and lure North Korea back to the NPT and nuclear inspections.

The United States saw North Korea's move as a serious challenge to the NPT and was determined to face down Pyongyang, Han said, Washington's immediate objective was to bring Pyongyang back into the NPT to ensure that the treaty remains solid in mechanism and effectiveness. "But South Korea's objective is on getting North Korea to accept continued nuclear inspections," he said, adding that whether it rejoins the NPT was "not as important."

Non-NPT members can still conclude safeguards accords with the IAEA and submit to agency inspections. North Korea has received six ad-hoc IAEA inspections so far. The foreign minister and accompanying officials told their U.S. counterparts that Seoul and Washington should prepare a means to keep Pyongyang under international nuclear inspection even after its NPT withdrawal, reflecting South Korean concern that its views may be overlooked by the U.S. side.

Russian Scientists Said To Help DPRK Develop Missiles

SK0104015793 Seoul TONG-A ILBO in Korean 1 Apr 93 p 1

[Report by Moscow-based correspondent Chang Haeng-hun]

[Text] Russian weekly MOSCOW NEWS on 31 March reported that a number of Russian scientists are participating in North Korean production of missiles carrying nuclear warheads. MOSCOW NEWS, in an article on its interview with (Yuriy Besarabov), 52, and (Vladimir Yusachev), 41, missile experts who were among the 20 Russian scientists who were stopped by a Russian security organization from leaving the country for North Korea at a Moscow airport toward the end of last year, said that Russian scientists who are in North Korea could have left Russia with official permission.

The Russian scientists accepted the North Korean invitation because of the high remuneration of $1,200 a month and the feelings of ideological ties. It has also been revealed

that the invitation to the scientists was made through official contacts between the North Korean authorities and the Russian institutes they worked for. The Russian scientists who are working in the field of missile development in North Korea are from the (Isayev Institute) and the (Makayev Institute), both of which specialize in development of missiles, according to MOSCOW NEWS.

UK's Hurd To Visit 7-9 Apr

SK0104024593 Seoul THE KOREA HERALD in English 1 Apr 93 p 2

[Text] British Secretary of State for Foreign and Commonwealth Affairs Douglas Hurd will make an official visit to Korea April 7-9 at the invitation of Foreign Minister Han Sung-chu, the Foreign Ministry said yesterday.

In Seoul, he is scheduled to meet President Kim Young-sam and hold talks with Minister Han on bilateral, regional and international issues. Secretary Hurd will also meet with Defense Minister Kwon Yong-hae and visit a shipyard in Okpo on the southern coast, the ministry said.

Swedish Prime Minister Bildt To Visit 6-8 Apr

SK0104024893 Seoul YONHAP in English 0110 GMT 1 Apr 93

[Text] Seoul, April 1 (YONHAP)—Swedish Prime Minister Carl Bildt will make an official visit to Seoul on April 6-8, Senior Presidential Press Secretary Yi Kyong-chae said Thursday. Bildt is to meet with President Kim Yong-sam to exchange views on recent international developments and matters of mutual concern, including ways to promote the friendly and cooperative ties between the two countries. Bildt would be the first official visit by a Swedish prime minister and was expected to contribute to the promotion of cooperative relations between the two countries, Yi said.

DLP Designates Yi Man-sop New Assembly Speaker

SK0104085893 Seoul YONHAP in English 0847 GMT 1 Apr 93

[Text] Seoul, April 1 (YONHAP)—The ruling Democratic Liberal Party [DLP] designated Rep. Yi Man-sop to replace Pak Chun-kyu as National Assembly speaker Thursday. Pak resigned as speaker in an outcry over his wealth.

The DLP also designated Rep. Hwang Myong-su, 64, chairman of the assembly National Defense Committee to succeed Yu Hak-song, who resigned his assembly seat in a controversy over his fortune. DLP spokesman Kang Chae-sop said that President Kim Yong-sam had picked the pair during his weekly meeting with DLP chairman Kim Chong-pil at Chongwadae [presidential offices] in the afternoon.

Yi, 61, is expected to be formally selected as speaker when the National Assembly convenes toward the end of the month. Hwang has no military background. It will be the first time since the military coup in 1961 that the defense committee has been chaired by someone who isn't a retired general.

National Assembly Accepts More Resignations

SK3103132393 Seoul YONHAP in English 1102 GMT 31 Mar 93

[Text] Seoul, March 31 (YONHAP)—Acting National Assembly Speaker Hwang Nak-chu on Wednesday accepted the resignation offered by Rep. Kim Chae-sun and two other Democratic Liberal Party legislators in public outcries over the immoral manners they allegedly employed in amassing wealth. The two others were Yu Hak-song from the Yechon area and Kim Mun-ki from the Myongju-Yangyang district. Kim Chae-sun was elected in the Cholwon-Hwachon area. By-elections to choose their replacements are to be held by June 29 by law.

Earlier in the day, Speaker Pak Chun-kyu who had bolted from the ruling party in a controversy over the huge fortune he made, named Vice Speaker Hwang Nak-chu as acting speaker. Pak signed a document at his official residence near the assembly hall, which said in part that due to his personal reason, he was naming Hwang as acting speaker pursuant to the provisions of Article 12 of the National Assembly Law.

DLP Ethics Committee Recommends Lawmaker's Expulsion

SK0104083693 Seoul YONHAP in English 0617 GMT 1 Apr 93

[Text] Seoul, April 1 (YONHAP)—The Democratic Liberal Party's [DLP] Ethics Committee unanimously recommended Thursday that the ruling party expel Rep. Chong Tong-ho for suspected financial impropriety. All DLP lawmakers and the Advisers Guidance Committee will meet next week to vote on the committee's expulsion recommendation, and the party has told lawmakers traveling abroad to return for meeting. DLP regulations require a two-thirds majority of lawmakers to expel one of their number from the party.

Chong was asked to resign for causing a controversy over his wealth, but refused. He said he did not accept the result of a DLP investigation of his assets, and his constituents did not want him to resign. As a result, it was decided to boot Chong out of the party. The ruling camp has reportedly begun an investigation into Chong's suspected illegal trading in real estate with a view to prosecuting him. "Rep. Chong has damaged the honor of the DLP and hindered the development of the party by possessing excessive real estate and by getting rich by immoral means," ethics comittee chairman Mun Chong-su said.

DLP Delays Disciplinary Action on Representative Chong

SK3103132293 Seoul YONHAP in English 1121 GMT 31 Mar 93

[Text] Seoul, March 31 (YONHAP)—The ruling Democratic Liberal Party (DLP) is finding difficulty in removing a party lawmaker suspected of having built large wealth allegedly through immoral manners. The DLP initially planned to call the party disciplinary committee into session on Wednesday [31 March] morning to decide on expulsion of Rep. Chong Tong-ho from the party.

The planned morning session, however, was put off until Wednesday afternoon in a gesture to give him an opportunity to explain abount his position. The afternoon session, too, failed to take place, and the meeting was now set for Thursday morning [1 April]. A DLP source said that earlier in the day, DLP Secretary General Choe Hyong-u and Minister of State Kim Tok-yong called on Chong to suggest him to resign as lawmaker on his own.

But, Chong defiantly rejected the offer, saying he could not accept the measure the party took in connection with the aftermath of the disclosure of assets by ruling party legislators. Chong Tong-ho, an ex-special forces officer, said through one of his aides that he could not accept the party suggestion because the party ruling on individual assets was "without any principles" and that he, as a popularly elected lawmaker, cannot resign as legislator merely at the decision of the party leadership.

Kim Yong-sam, Kim Chong-pil Discuss Party Solidarity

SK0104084293 Seoul YONHAP in English 0742 GMT 1 Apr 93

[Text] Seoul, April 1 (YONHAP)—President Kim Yong-sam met with Kim Chong-pil, executive chairman of the ruling Democratic Liberal Party [DLP], Wednesday and discussed on ways to solidify party ranks in the wake of a crisis caused by the disclosure of personal assets by DLP lawmakers. At their regular weekly meeting, Kim Chong-pil reported to the president on the expulsion of Rep. Chong Tong-ho from the party and the disciplinary action the party took against other lawmakers who were found to have accumulated huge personal assets through illegal or immoral means. Kim Chong-pil also reported on the party's preparations for by-elections to be held in three districts on April 23 and on revision of the law governing the ethical conduct of civil servants.

The president told Kim Chong-pil that the party should try and regroup, rallying around the leadership, now that the upheaval brought on by the disclosure of personal assets had blown itself out, according to a presidential aide. With regard to the by-elections, President Kim said they would be a very important opportunity to demonstrate the will of his administration for reform.

Kim is understood to regard the by-elections as a kind of referendum on his reform policy. He appears to believe, informed sources say, that ruling party victory in the by-elections will silence some criticism against his reform programs, that included the purge of corrupt officials. The DLP should take the lead in efforts to hold the elections in the fairest and cleanest way ever, Kim was reported to have told Kim Chong-pil.

The two party leaders also discussed a replacement for Pak Chun-kyu, who left the party after expressing his intention to resign as speaker of the National Assembly. Several other posts in the National Assembly and party are expected to be vacant as they are held by DLP lawmakers who fell victim to President Kim's anti-corruption campaign.

Among those mentioned as a possible successor to Pak as speaker are vice speaker Hwang Nak-chu and Reps. Yi Chong-kun and Yi Man-sop, all six-term parliamentarians. But at present, the sources say, there is a strong possibility that Hwang will succeed Pak as he is not only vice speaker but belongs to President Kim's faction in the ruling party.

Reps. Pak Chun-pyong and Chong Sun-tok are prominent candidates for the post of chairman of the national defense committee, vacated by Rep. Yu Hak-song, who has given up his seat in the assembly and retired from politics because of his personal wealth. Other posts expected to be affected by the just ended purge of corrupt lawmakers are chairmen of the foreign affairs and national unification committee, and the home affairs committee as well as floor leader.

In another development, the ruling party's special committee for laws related to politics discussed revision of the controversial national security law, the law governing the Agency for National Security Planning and the law on the ethical conduct of civil servants. The committee, chaired by Rep. Sin Sang-sik, decided to work out revised bills on those laws as soon as possible in order to back up President Kim's reform program.

The ruling party hopes to negotiate with the main opposition Democratic Party when the revised bills are ready and present them to an extraordinary session of the National Assembly to be convened in late April.

Over at the ethics committee of the ruling party, which took the action to expel Rep. Chong Tong-ho on Wednesday for amassing fortune through dubious means, a commotion was created by Chong's wife, Ku Hyong-sun. Wearing a mountain-climbing cap and sun glasses, Ku barged in on the committee and shouted that she had accumulated the family's assets and that her husband, an army officer serving on the front line, had nothing to do with it.

Asked by committee chairman Rep. Mun Chong-su to at least take her cap off, Ku refused, claiming his order was an invasion of her privacy. She was later ushered out of the committee room by one of her husband's aides.

Kim Yong-sam Meets 'Dissidents' for Talks

SK0104084593 Seoul YONHAP in English 0801 GMT 1 Apr 93

[Text] Seoul, April 1, (YONHAP)—Kim In-sik, secretary-general of the National Federation of Agricultural Associations (NFAA), is impressed by the difference between the current government and its predecessors. "President Kim Yong-sam is going to meet us," he said Thursday. "The new government appears to have different ideas about us than the past governments."

On Wednesday, Korea's first civilian president in more than 30 years had a special appointment in Suwon with dissidents, meeting them for the first time since he was sworn in a little more than one month ago. Two activists were among the 17 farmers and fishermen whom agriculture, Forestry and Fisheries Minister Ho Sin-haeng picked to meet with President Kim during a tour of the rural development administration. One was NFAA president Kang Chun-song, who led the struggle against beef imports in 1987. During one of the demonstrations, farmers broke the windows of government buildings in Kwachon. The other was Pae Chong-yol, president of the National League of Farmers (NLF), who was on the police wanted list for leading a series of protests against rice imports until the Justice Ministry

ordered police to stop searching for Pae at Ho's request so that he could meet with President Kim.

Pae said little in the meeting as Kang talked a lot. Afterward, Kim shook their hands and Kang said he wanted the government to continue its reforms and bae expressed hope for a private meeting with the president. Introducing Pae, Ho said, "This is the famous NLF President Pae." The meeting was short, but it symbolized the changes Kim has brought, including improved relations between the president and dissidents and student activists.

Kim showed a strong desire to improve relations by appointing well-known dissident Kim Chong-nam as senior secretary for social and cultural affairs, taking conservatives in the government and the ruling Democratic Liberal Party by surprise.

When slum people marched toward Chongwadae [presidential offices] from downtown Seoul recently, secretary Kim invited five of the leaders into his office for a talk. He will soon name a man responsible for dealing with dissident groups, probably former staff member of the now-defunct party of the masses.

Faced with this new approach of reconciliation by the administration, activist student groups and dissidents have changed their policy toward the government. "We totally welcome the new government's reform programs," NFAA secretary-general Kim said.

President Kim is planning a "grand discussion meeting" with student representatives to mark the anniversary of the April 19, 1960, student uprising with a view to drawing students into his reform program.

Kim Seeks New 'Open' Relationship With Press

SK0104083493 Seoul YONHAP in English 0505 GMT 1 Apr 93

[Text] Seoul, April 1 (YONHAP)—The government should not try to control the media, nor curry favor with it, President Kim Yong-sam said Thursday when Information Minister O In-hwan briefed him on his ministry's programs for the year. State-press relations must change, with the government's "carrot and stick" approach tossed out for good, Kim told O. There should be a new relationship based on mutual recognition and respect, he said, and reforms must be carried out in cooperation with the press. The government should end the practice of hiding facts from the press and make everything open for fair and just evaluation, he said.

Kim told O to prepare a long-term master plan to develop the broadcast media, noting that past policy was short-sighted and based on expediency. O said his ministry would help the audit bureau of circulation in its efforts to promote fair and healthy competition among the media.

The government's overseas publicity programs would be directed chiefly at promoting trade relations with members of the North American free trade agreement, the European community, Japan, China and Russia, O added.

Security Agency To Complete Reorganization by 3 Apr

SK0104024793 Seoul YONHAP in English 0121 GMT 1 Apr 93

[Text] Seoul, April 1 (YONHAP)—The Agency for National Security Planning (NSP) will resume overseas intelligence gathering and counterespionage activities next week after completing a massive reorganization by Saturday, an informed agency source said Thursday.

Departments that meddled in politics have been abolished and organizations with similar functions merged, said the source, speaking on condition of anonymity, and the focus of the agency's operations shifted to collecting foreign information and North Korea-related affairs. He said that around 70 percent of division chief-level and deputy bureau chief-level officials were reassigned Tuesday and the rest ordered to undergo retraining or named as researchers.

"The agency has made every effort to lessen the number of people to be dropped from its payroll. We will complete personnel appointments for lower-level posts by the weekend to resume routine operation of the agency next week," he said.

General Opposes Assets Disclosure by 'Military Brass'

SK0104090693 Seoul THE KOREA HERALD in English 1 Apr 93 p 3

[By staff correspondent Pak In-chol]

[Text] Army Chief of Staff Gen. Kim Tong-chin said yesterday he remains opposed to disclosing the personal assets of the military brass. "Personally, I am strongly opposed to the government plan concerning the disclosure of public figures' personal assets. If the personal wealth of a commander is revealed, I believe he will find it difficult to control his men, irrespective of the outcome," Gen. Kim told THE KOREA HERALD.

The administration of President Kim Yong-sam is seeking to revise the Public Officials' Ethics Law to force military generals to reveal their personal wealth in a move to drive corrupt officers out of the military. Gen. Kim said, "North Korea will sit comfortably and be able to obtain the secret information on the South Korean military leadership which otherwise would take many years for them to do it. It is definitely injurious to our Armed Forces."

He made the remarks shortly before the change of command ceremony for deputy commander of the Korea-U.S. Combined Forces Command (CFC). In the ceremony, Gen. Kim was formally replaced by Gen. Kim Chae-chang, first vice chairman of the Joint Chiefs of Staff as the deputy CFC commander who concurrently leads the CFC's Ground Component Command. The ceremony was delayed for about one month because of Team Spirit '93, the South Korea-U.S. joint war games.

Hundreds of Korean and U.S. military officers attended the ceremony. They included Gen. Robert RisCassi, commander-in chief of the CFC, Adm. Kim Chol-u, chief of naval operations, and Gen. Yi Pil-sop, chairman of the Joint Chiefs of Staff. Asked about an allegation that the chief of naval operations took 100 million won in bribes from each of some Navy captains in exchange for promoting him to

commodore, meanwhile, Adm. Kim Chol-u he said has asked Defense Minister Kwon Yong-hae to order a thorough investigation of the allegation.

On Tuesday, the Defense Ministry said it will investigate the allegation made by an unidentified person in early February. The ministry said a military investigation group will look into the allegation which is "extraordinary," although similar allegations had been ignored in the past.

Central Bank Abolishes 'Discriminatory Rules'

SK0104091993 Seoul THE KOREA TIMES in English 1 Apr 93 p 9

[Text] The Central Bank abolished discriminatory rules against state-run, provincial and merchant banks in the foreign exchange market. The Bank of Korea said that from today it will permit state-run, provincial and merchant banks to expand the maximum permissible amount of foreign currencies they can buy and sell.

State-run, provincial and merchant banks will be able to do doreign exchange business on an equal footing with Seoul-based banks from today as the Bank of Korea allowed them to expand their ceiling of foreign currency holding and selling amounts. Their maximum amount of foreign currency holdings (overbought positions) will be expanded to an amount equal to 200 percent of what they bought the previous month on a outstanding average basis or 20 million dollars, whichever is larger.

Previously, they were not allowed to have foreign currency holdings beyond 50-100 percent of the foreign currencies that they bought the previous month on a outstanding average basis or 20 million dollars. It means that they will be permitted to hold more than 20 million dollars if 200 percent of the foreign currencies that they bought the previous months exceeds 20 million dollars.

Under the new enforcement degrees on foreign exchange business, state-run, provincial and merchant banks will also be able to maintain a maximum amount of foreign currency selling (oversold position) at the amount equal to 20 percent of foreign currencies that they bought the previous month or 10 million dollars, whichever is bigger. To activate the foreign exchange market, the Central Bank also eased regulations on cumbersome underlying documentation requirements in forward foreign exchange transactions.

Foreign exchange banks will be permitted to provide underlying documents for foreign exchagne forward deals within 30 days "after" the striking of contracts, beginning today. Under the new decrees, banks will be able to strike deals regardless of the transaction values "before" providing documents that evidence commercial transactions.

Previously, foreign exchange forward deals with transaction values of more than 3 million dollars must be made "after" underlying documents are provided. Dealers had to submit underlying documents for the majority of forward currency dealings before contracts are made in principle.

With the new decrees, companies will be able to hedge more efficiently against fluctuations of market rates in forward transactions in that they can buy foreign currencies at a certain rate at a designated time. The documentation requirements were used to prevent dealers from engaging in foreign exchange speculative investment.

Previous rules required any foreign exchange bank to have original documents that evidence the commercial transactions before the bank actually does the transactions, that means a company that wants the foreign exchange forward transaction must hand-deliver to the bank the original documents before it can do the trade. Under the previous rules, it was impossible for companies to obtain competitive price quotations from other foreign exchange dealers because there was only one set of originals they can give to one bank.

ROK Eases Rules on Investment in Socialist Countries

SK0104090993 Seoul THE KOREA TIMES in English 1 Apr 93 p 9

[Text] Korean firms can activate their investment in former and present socialist countries as the government simplified rules yesterday. The Ministry of Finance said that from today, the Economic Planning Board [EPB] will no longer review investment applications by domestic firms into the so-called northern countries, including China, Vietnam and Russia.

Under the previous rules, the EPB and the Bank of Korea have made duplicate review of outbound investment into the socialist countries when a single investment amount exceeded 5 million dollars. Such a duplicate review has sometimes prevented local firms from making a timely investment in socialist countries, said Chin Tong-su, director of the overseas investment division of the Finance Ministry.

He also said the overseas investment license will be effective up to three years after local firms get permission from the government. The government will no longer require local firms to get a project feasibility study from third appraisal firms if the outbound investment amount exceeds 30 million dollars. The requirement has cost local firms 5-10 million won in additional costs, he said. Seoul's outbound investment has been on a steady rise since 1986, registering an annual growth rate of 38.3 percent.

Daily Views Foreign Investment Liberalization Policy

SK3103065493 Seoul THE KOREA TIMES (Supplement) in English 31 Mar 93 p 1

[By staff correspondent Yi Chang-sop]

[Text] The inflow of foreign direct investment in Korea, which had been steadily increasing since 1980, appears to have lost its luster after 1989. Foreign investment in the manufacturing sectors is decreasing, while investment in service industries is increasing. This trend is caused by the continuous increase in the wage level, inflation and diversion of foreign investment in the Asia-Pacific region.

The nation's diminishing allure to prospective foreign investors should be cause for concern. A weak record on enforcement of intellectual property rights, a reputation for labor unrest, difficulty in securing funds and the loss of cheap labor all made Korea a less likely candidate for investment by both high-tech and labor-intensive businesses alike.

Rising Wages

Wage increases have outstripped productivity since 1987 as democratization and increased freedoms for organized labor led to successful demands by workers for a larger share of the nation's prosperity. While a few large projects in the petrochemical sectors have masked the trend when measured on a dollar basis, the number of foreign direct investment projects on a notification basis has steadily declined from 362 cases in 1987 to 287 cases in 1991.

Worst of all, Japan, which had been an active investor in Korean industries, has been lukewarm in putting money into Korean operations. The United States has swapped places with Japan as the predominant foreign investor in Korea last year. This may be in part due to Japan's cautious tendencies regarding technology transfers but a conscious attempt to diversify from over-dependence on Japan as well as a pervasive smoldering anti-Japanese sentiment in the Korean populace, may also be discouraging would-be Japanese investors.

Another noteworthy trend is the shift of investment in Korea from manufacturing to services. Korea's increasingly affluent society is demanding more and better services and foreign investors are eager to bring their experience and expertise to the market.

Regionally, investment from the United States has been increasing. Last year, U.S. investment recorded 380 million dollars in 70 cases, an all-time high in terms of annual U.S. investment in Korea. This figure is 42.5 percent of the total foreign investment amount of 895 million dollars last year, according to the Finance Ministry. At this stage, foreign investment plays a marginal role in Korea. Joint venture firms controlled only 1.4 percent of total domestic fixed capital formation in 1985-1987, according to the UN report.

First Mention of UN Report

The ratio is 15.2 percent for Hong Kong; 25.5 percent for Singapore; 3.3 percent for Taiwan; 8.7 percent for Malaysia; 2.7 percent for Thailand and 2.2 percent for China. The UN report said Korea attracted the least of foreign investment among major Asian Tigers, Korea trailed behind Taiwan, Hong Kong, and Singapore.

Campaign to Attract Investment

The Korean government, in a belated move to attract foreign investors, adopted a series of steps since last year. The Ministry of Finance [MOF] has made substantial, although not dramatic, improvements on the existing liberalization program. It cut the negative list further and simplified administrative procedures. Moreover, it also unveiled various incentives for foreign investors in terms of land, fiscal and financial privileges.

The MOF has unveiled plans to set up an industrial complex exclusively for foreign investors in southwestern Asan Bay. From this year, joint-venture firms wee permitted to bring cheaper overseas capital into Korea to finance their operations here. Tax benefits were given to high technology service industries. The MOF also improved the technology licensing system and simplified documentary requirements. It expanded the field of industries open to foreign investment.

Foreign Access to Land

The Korean government also announced plans to allow foreign joint venture firms to buy land. Currently, land purchases are allowed only to manufacturing firms. From this year, service industries can purchase land for use in their projects. Benefitting service industries will be those related with high-tech manufacturing industries such as research & development (R & D) centers, software development concerns, technology training schools, testing centers for automobiles or aircraft and other high-tech industries.

The MOF initiated consultations with other ministries to open the remaining industries still off-limits to foreign investment. It said by June this year, it will finalize a five-year timetable to deregulate the restricted industries for foreign investment.

The timetable will give domestic industries and foreign investors enough preparation to brace for foreign competition and enter the Korean market, a Ministry of Finance official said. By 1997, most industries, except for some strategic and sensitive sectors, will be fully deregulated, he said.

As of this month, 83 percent of Korean industries are open to foreign direct investment. The liberalization ratio is 97.8 percent for the manufacturing sector. 88.9 percent of the mining industry is accessible to foreigners. The service sector liberalization is 69.9 percent. The agriculture-fisheries-forestry industry's liberalization ratio is 26.8 percent.

Promotion Activity

The economic cooperation bureau of the Ministry of Finance has activated meetings with foreign business executives here to hear their complaints and to help them understand Korea's latest market-opening program. It has decided to hold a regular monthly meeting with the American Chamber of Commerce in Korea, and Japanese, European and other business executives here.

Furthermore, the MOF will team up with the Korea Chamber of Commerce and the Korea Federation of Small Business to go on overseas investment promotion tours from this year. From 1988, the government suspended overseas investment promotion tours. To expand communication with foreign investors, the MOF has established a counselling center.

The government also plans to gradually entrust to local government authority foreign investment notification/approvals in order to emphasize systems of inducing foreign businesses that are distinct to each area, according to Han Chong-kil, director general of the Finance Ministry. He said the Korean government has a firm policy direction of liberalizing foreign investment in line with the overall policy of the Korean government.

Commission Designates 30 Business Groups Conglomerates

SK0104091393 Seoul THE KOREA TIMES in English 1 Apr 93 p 8

[Text] The Fair Trade Commission yesterday designated 30 business groups including Hyundai and Samsung as conglomerates subject to various restrictions in accordance with

the government's policy to ease economic concentration. The number of their affiliates was listed at 604.

This year's number of state-designated conglomerates was a sharp cut, compared with last year's 78, with the revision of the enforcement decree of the Monopoly Regulation and Fair Trade Act. Under the amendment, the designation of conglomerates comes in line with the order of total assets, a major twist from the previous selection method of designating conglomerates whose total assets exceed 400 billion won.

The designation calls for a ban on cross stock acquisition among affiliates of an individual group. And the 604 subsidiaries of the 30 business conglomerates are also barred from investing more than 40 percent of their total assets in other firms. From this year, they will face restrictions in payment guarantees on loans from banks and other financial institutions as the revised Monopoly Regulation and Fair Trade Act takes effect.

This year's list of 30 business conglomerates shows little change from last year's with some of them in the lower ranks changing place.

The Hyundai business group topped the list with total assets of 27.517 trillion won, a sharp gain from last year's 23.116 trillion won. Hyundai's big stride was attributed to the inclusion of Kukdong Oil Co. in the group. The number of Hyundai's subsidiaries was listed at 45, up from 43 last year.

The Samsung group was second with total assets of 21.286 trillion won, up from last year's 18.713 trillion won, but its affiliates outnumbered Hyundai's at 55. Daewoo placed third with total assets of 19.837 trillion won and 22 subsidiaries, followed by Lucky-Goldstar (19.121 trillion won, 54 subsidiaries) and Sunkyong (9.966 trillion won, 32 subsidiaries). Samsung created two firms and took over a securities company last year to increase its number of subsidiaries to 55. In contrast, the number of Lucky-Goldstar subsidiaries was reduced by four to 54 through mergers and shutdowns. Sunkyong established two firms, while disposing of one, bringing the total number of subsidiaries to 32. Daewoo's subsidiary number remained unchanged.

Rank	Group	No. of Subsidiaries	Change from 1992	Assets (Unit: billion won)	1992 Amount
		[1993]		[1993]	
1	Hyundai	45	2	27,517	23,116
2	Samsung	55	3	21,286	18,713
3	Daewoo	22	-	19,837	17,297
4	Lucky-Goldstar	54	-4	19,121	17,152
5	Sunkyong	32	1	9,966	8,651
6	Hanjin	24	1	8,674	7,579
7	Ssangyong	22	-	7,856	6,896
8	Kia	10	-	6,959	5,884
9	Hanhwa	27	-	6,425	5,469
10	Lotte	32	-	5,273	4,887
11	Kumho	24	-1	4,289	3,536
12	Daelim	12	-1	3,704	3,326
13	Doosan	25	1	3,622	3,106
14	Dong-Ah	13	-3	2,939	2,846
15	Hanil	15	-	2,751	2,619
16	Hyosung	14	-	2,571	2,329
17	Dongkuk	14	-	2,944	2,102
18	Sammi	9	-5	2,205	2,298
19	Halla	10	-	3,160	1,941
20	Han-yang	4	-	2,147	1,548
21	Tongyang	16	2	2,138	1,695
22	Kolon	21	-	1,919	1,727
23	Jinro	19	-1	1,797	1,301
24	Dongbu	12	1	1,742	1,593
25	Kohap	7	-	1,698	1,378
26	Kuk-dong	9	-	1,674	1,661
27	Woosung	5	-1	1,594	1,567
28	Haitai	10	-	1,532	1,277
29	Byucksan	18	-1	1,435	1,263
30	Miwon	24	2	1,300	1,221

YONHAP Assesses Business Climate Following Kim Reforms

SK0104003293 Seoul YONHAP in English 2334 GMT 31 Mar 93

[Text] Seoul, April 1 (YONHAP)—Spring is definitely in the air in the business world, with investment enthusiasm budding here and there, and bright faces doing some serious work. Skeptics may argue that there is no crystal clear proof in the economic indexes that the investment mind is back, but even they cannot deny hearing voices of hope and determination from all sides of the business circle.

"Thanks to a series of cuts in interest rates and less government intervention and regulations, companies can now afford to invest," an executive of the Daewoo Business Group says.

All interest rates were cut 0.5 to 1 percentage points March 26. The central Bank of Korea's rediscount rate, charged on loans to commercial banks, was reduced to 5 percent a year from 6 percent and bank lending rates were cut to 8.5-10 percent from 9-11 percent. With the lower rates, Korean businesses are estimated to save 1.5 trillion won (1.89 billion U.S. dollars) in financing costs.

The government also announced on March 23 that it was removing a variety of administrative red tape to fuel the economy, heart- stirring news to many businessmen. Samsung, Daewoo, and other major business groups have already started to work on their investment scenarios for

this year. Daewoo has decided to put its yearly facility and technology investment projects into work in the first half of this year.

Many nodded their heads when a company president observed that "now we can run businesses with a heart and a half" during a meeting between the Federation of Korean Industries (FKI) and press executives. When giant business groups put their minds to investment, the spirit is likely to inspire small- and medium-sized companies, business analysts say. The smaller industrial enterprises are said to be much moved by the government's policies to lure investment, such as more funds for small- and mediume-sized companies and more loan opportunities from banks.

Though yet faintly, this investment-tilted mood of the business circle was reflected in recent surveys on economic prospects and facility investment conducted by FKI. In the poll asking opinions on economic prospects of 500 mining and manufacturing industries nationwide during March, the business survey index (BSI) in investment was slightly higher than the standard level of 100. The BSI in investment prospects for April neared 120, according to the survey, scheduled to be revealed next month. Investment appears to have picked up when the BSI rises above 100 and to have worsened when the index falls below 100. A separate FKI survey on the country's 400 business groups on their plans for investment shows that corporate investment, which recorded minus growth last year, is expected to rebound to more than one-digit growth this year.

"It may be early to get too optimistic," an FKI researcher says. "But it looks like the business investment spirit has woken up after long winter's sleep." Although many companies prefer to wait and see for the time being, they are likely to devote themselves to investment as soon as the economy picks up, he predicts.

According to a recent Economic Planning Board survey on facility investment plans of major companies, the nation's top 100 businesses expect to raise their investment 9.4 percent, more than doubling last year's growth of 4.3 percent.

It is a similiar ball game in the small- and medium-sized business field thanks to more funds flowing from the government, banks and quicker payment of bills by large companies.

With a better pocket situation, small businesses can now venture investment, unthinkable during their hard times of recession and difficulties of finding funds due to lack of mortgages, industry sources say. The Citizens' National Bank has extended its automatic business loan limit to 200 million won from 1 million won and widened the opportunities for discounts on commercial papers without bondsmen. The Commerical Bank of Korea has decided to offer small- and medium-sized manufacturers 50 billion won for business funds.

Because small businesses mostly dream of expanding their facilities, their investment will be spurred by small signs of economic recovery, industry sources say. "Let's try again!" has become the motto among many rising businessmen of small industrial companies, they say.

But not all are so enthusiastic when taking account of the fact that the ongoing recession was not just an aberration but grew from the root of a structural problem in the economy. Mun Si-yol, a senior reseacher at the Samsung economic research institute, points out that there are no actual signs of improvement in company investment despite various policies such as interest rates cuts, fewer building restrictions, and revision of the taxational and financial systems. Noting that issuance of approvals for machinery imports, a reflection of facility investment, have been shrinking since 1991 and turnover of machinery contracts fell 6.8 percent in September last year, Mun is pessimistic of a quick recovery in investment.

Although things are unlikely to get worse, says Pae Hyon-hun, president of Daewoo Electronics Co., "It is a wishful thinking to expect the structural problems such as upgrading technology and expanding social infrastructure to be resolved overnight."

Kim Tells Minister To Select Cellular Phone Licensee

SK3103131693 Seoul YONHAP in English 1047 GMT 31 Mar 93

[Text] Seoul, March 31 (YONHAP)—President Kim Yong-sam told Communications Minister Yun Tong-yun to make the selection of the licensee for the nation's second cellular phone project fully transparent Wednesday, noting the selection process last year was distrusted by the public because it was not transparent. Kim gave the instructions after Yun had briefed him on the ministry's programs for this year.

The selection process should be as transparent as glass, Kim stressed. Any suspicions or problems that arose would result in appropriate punishment for those involved, he warned. He reiterated his inaugural pledge to receive not even a penny from any company or individual during his five-year term and said he would keep this pledge under all circumstances. The Sunkyong Group's choice for the mobile telephone project was cancelled late last year because of suspicion over the selection process.

Daewoo Said To Transfer Workers To Save Company

SK3103061393 Seoul THE KOREA HERALD in English 31 Mar 93 p 8

[By staff correspondent Yi Kap-su]

[Text] "What on earth is our boss doing?" This remark, made by an employee of Daewoo Motor Service may indicate an abnormal development under way in the Daewoo Business Group, one of the top five business conglomerates in Korea. One day last August, Kim, a Daewoo employee, was ordered to leave Daewoo Corp., a trading arm of the Daewoo Group, to work as a salesman of cars produced by Daewoo Motor Co. He had dealt with trade with foreign countries at the general trading company for years before he was sent to the car sales agent.

He was not the only employee of the Daewoo Corp. who was given "temporary duties" as salesman. As many as 450 others at the trading company were sent to Daewoo Motor Service, a sales agent of the automaker. Yet an additional 260 employees of other Daewoo companies were also transferred to the auto sales company, and 790 others, recruited by the Daewoo Group unaware of their ultimate assignments, are also working as salesmen. Surprisingly, however,

all of the 1,500 workers on "temporary duty" at Daewoo Motor Service are not on the payroll of the company, but on those of the Daewoo Group companies they came from.

What is going on in the Daewoo Group? Observers suspect the group wants to see Daewoo Motor Service, set up at the start of the year with 100 billion won ($125 million) in paid-in capital, enjoy net profits in the first business year, at the expense of its sister companies. "The dispatch is not a temporary step. The group ordered the 1,500 employees to work for between one and three years at the car sales company," said a Daewoo official who wanted to remain anonymous. "If this trend is left unchecked, Daewoo's general trading company, which sent 450 workers to the motor sales agent, would be burdened with about 4.5 billion won of 'unnecessary' personnel expenditures annually," he said.

On the contrary, Daewoo Motor Service could save the same amount in wages every year. All in all, the service company's "intangible profits" could reach some 15 billion won per annum, taking into account wages saved by using the 1,500 borrowed employees. "Daewoo Corp., a trading arm of the group which raked in 40.3 billion won in net profits in 1992, may reduce its corporate taxes in 1993 through the manipulated wage payments, whereas Daewoo Motor Service may be able to make some profits this year, although it is a start-up firm in the market," he said.

"Daewoo Motor Service Co., all of its shareholders consisting of executives and employees of Daewoo subsidiaries, plans to go public within the coming three years, and to do so, it must register profits for three years in a row under the present securities transaction regulations," a stockbroker at a Seoul-based securities company said. "By listing the company's shares on the Korea Stock Exchange, Daewoo officials could freely trade their holding issues, possibly securing profits stemming from the difference between the issuance price and the market price," he said. "The irregular practice will harm those making investments in stocks of Daewoo Corp. in the local bourse, if they are unaware of the 'secret' transfer of wealth from the general trading and construction branches," he added.

Also victims of the Daewoo's anomalous management of its manpower are some 300 private dealers of Daewoo-produced cars in Seoul. "As most of the dispatched 1,500 Daewoo officials work as car salesmen for Daewoo motor Service, we are losing ground in the domestic car sales market where demand is limited," a chief of a Daewoo car sales office in Seoul said on condition of anonymity.

"To make things worse, the group's subsidiaries have compelled their subcontractors, not to mention their own employees, to sell Daewoo cars, while compulsorily alloting a specific number of cars they have to sell," he said. "Daewoo's action is aimed at helping Daewoo Motor Co. come out of its chronic deficits," he said. Daewoo Motor Co. suffered 95.6 billion won in net deficits in 1992, following a 146.7 billion won shortfall in 1991.

"It is an evident violation of the Fair Trade Act and goes against the new administration's policy of protecting small- and medium-sized companies from being hurt by large business conglomerates," he pointed out. Asked why Daewoo car dealers had not directly complained to Daewoo Motor Co., the dealer replied, "There is an association of private car dealers in Seoul, which is to voice dealers' interests, but nobody dares to raise such a protest because they have to renew their car sales contracts with Daewoo every year."

Burma

Khin Nyunt Named Intelligence Department Chief

BK0104093793 Hong Kong AFP in English 0903 GMT 1 Apr 93

[Text] RANGOON, April 1 (AFP)—The man believed to the most powerful general of Burma's military regime has become the head of a new intellignece department to which all other intelligence bodies report, political sources said here Thursday. Khin Nyunt, who was recently promoted to the rank of lieutenant-general, has been appointed head of the newly created Office of Strategic Studies. The office supervises activities of all military and civilian intelligence bodies, the sources said.

It was not immediately clear whether the 54-year-old Khin Nyunt was to concurrently retain his position as head of the Burmese military's Directorate of Defence Services' Intelligence. He is also a member of the State Law and Order Restoration Council (SLORC), the official name of the ruling military, where he serves as Secretary-1, the more senior of two SLORC secretaries. Although he is outranked by SLORC chief, General Than Shwe, political analysts and diplomats generally believe Khin Nyunt is Burma's most powerful general.

Last week, state-run Radio Rangoon described him in a dispatch as lieutenant-general whereas he had previously been major-general. Lieutenant-General Maung Aye is also among senior commanders just promoted in Rangoon. The radio said Wednesday he has been given the positions of army chief and deputy commander-in-chief of the defence services.

The appointment effectively places him next in line to Than Shwe, who is also commander-in-chief. Maung Aye had previously served as longtime commander of the eastern military command, a military region bordering Thailand.

Former U.S. Congressmen Visit Jailed Dissidents

BK0104033893 Hong Kong AFP in English 1820 GMT 31 Mar 93

[Text] Rangoon, March 31 (AFP)—Two former U.S. congressmen have become the first foreign visitors allowed by Burma's military authorities to meet with jailed political dissidents, diplomats said here Wednesday.

The two, Robert Leggett and Seymour Halpern, were taken Monday to Insein jail, just outside the Burmese capital, to meet five prominent political prisoners, the sources said.

The prisoners included Tin U and Kyi Maung, both former chairmen of the National League for Democracy (NLD), which in 1990 swept elections on an anti-military government platform.

Leggett and Halpern are currently visiting here for discussions on naroctics and human rights, the sources said. They had requested a meeting with the five jailed dissidents.

NLD leader Aung San Suu Kyi, who is also held in Rangoon, has been able since last year to receive visits by her husband, British academic Michael Aris. Suu Kyi, the 1991 Nobel peace prize winner, is not technically jailed but under house arrest at her home.

The three other political prisoners with whom Leggett and Halpern had a meeting were another senior NLD politician, Win Tin, a popular comedian known as Zarganar, and Nay Min, a lawyer, the sources said.

Earlier requests to meet political prisoners had been denied, including those by two United Nations' investigators sent to Burma to look into human rights violations. No further details were available on the former congressmen's visit to Insein jail, Burma's main detention center.

Rebel Bomb Kills 3, Injures 4 in Mudon

BK3103152393 Rangoon Radio Burma in Burmese 1330 GMT 31 Mar 93

[Text] On 30 March at 1915 a bomb exploded at the house of Daw Ngwe Sein of Myakhwarnyo Road, Phayalesu Area, Myoma No.2 Ward, Mudon. Daw Ngwe Sein's daughters Ma Zanda Win alias Nge Nge, age 14 years; Ma Thein Thein Aye, age 12 years; and Ma Thida Aye, age four years, were killed, while neighbors U Par Nge, son of U Htaike, age 66 years; Daw Nyima, daughter of U Tin, age 66 years; Daw Nyunt Khin, daughter of U Maung Aye, age 40 years; and Ma Naing Naing Oo, daughter of U Pyi Soe, age one month, were injured. The house was destroyed by fire.

Investigations revealed that, on 30 March at 1545 Maung Aung Zaw Oo, who sells ice sticks on the Moulmein-Thanbyuzayat train and is son of Daw Ngwe Sein, met on the Thanbyuzayat-Moulmein train with Kyaw Thet, age 24 years, who was once jailed for being a terrorist insurgent and is son of U Myint Naing of Zegyo ward, Moulmein. Kyaw Thet gave Maung Aung Zaw Oo 100 Kyats pocket money and asked him to look after an 18-inch-high cane basket full of dried fish and left the train at Kalawtaw station. Maung Aung Zaw Oo took the basket home when Kyaw Thet failed to redeem it and the bomb exploded from within the basket. It has been learned that Daw Ngwe Sein and Maung Aung Zaw Oo were away at the time and escaped the explosion.

This was the act of the NMSP [New Mon State Party] terrorist insurgents who planted the mine on the train with the intent to kill and maim innocent travelers. Previously, on 10 January 1988, a mine planted by a KNU [Karen National Union] terrorist insurgent on the Toungoo coach of the Mandalay-Yangon [Rangoon] train exploded near the Yangon central station killing and wounding many innocent people.

It has been learned that the detonation device of the mine planted by the NMSP terrorist insurgent malfunctioned and did not explode on the train.

Brunei, Malaysia & Singapore

Malaysia

Perak Sultan's Birthday Festivities Scaled Down

BK3103153393 Kuala Lumpur Radio Malaysia Malaysia Network in Malay 1300 GMT 31 Mar 93

[Text] Festivities for the 65th birthday of the sultan of Perak [concurrently Malaysia's paramount ruler] on 19 April will be reduced to a one-day celebration. Announcing this, Chief Minister Tan Sri Ramli Ngah Talib said there would not be any ceremonies marking the inauguration of government

buildings, mosques, or schools by the sultan or regent of Perak during the celebration. In the past, various programs were recommended at the state and district levels in festivities which used to last a month or more. The step is part of the state government's plan to cut costs.

Tan Sri Ramli Ngah Talib, who spoke to reporters after chairing the weekly meeting of the Perak State Executive Council, said the council considered and approved programs for the festivities this year. This is the first time that the programs has been referred to the Executive Council members for approval. Previously, such programs were drawn up and recommended by a special committee set up by the royal palace. The Executive Council has also passed a 200,000 ringgit budget for the birthday festivities. The amount is one-third of the 600,000 ringgit allocated for last year's festivities.

Spirit of 46 Opposition to Amendment Decried

BK0104095993 Kuala Lumpur BERITA HARIAN in Malay 27 Mar 93 p 10

[Editorial: "Challenge if You Can Afford to Face the Risks"]

[Text] Constitutional amendments to limit royal immunity, which became a controversial issue several months ago, were well handled after Paramount Ruler Sultan Azlan Shah signed the Constitutional Amendment Bill on 22 March. The bill marked the beginning of a new era in relations between the people and rulers. With the amendments, every citizen is now assured of his or her basic rights and will no longer be overshadowed by a sense of fear of the rulers. Relations between the two sides will be even closer on the basis of mutual respect.

Moreover, the settlement of the issue also showed that the country's democratic system has matured because we were able to settle an internal issue without external interference. Indeed, the issue was also a good lesson for all sides, including the rulers. It reflected the government's firmness in defending the people and the consciousness of all the rulers concerning their position, with the exception of the sultan of Kelantan, who has been clearly influenced by Spirit of 46 Party leaders. The government had no alternatives but to amend the Constitution to protect citizens victimized in criminal or civil cases. The establishment of a special court to try errant rulers is in no way to lower their dignity, but is instead part of the people's efforts to prevent the rulers from committing any wrongdoings in the future. The people continue to accept the system of constitutional monarchy. However, the remnants of feudalism, which are unsuitable in the modern era, must be removed because they could undermine the people's thinking. The success in handling the amendments is of great significance not only in Malaysia's political context but in the history of the nation's laws as well.

Because of this, all parties should calmly accept the paramount ruler's consent and be open-minded. Dissatisfaction should no longer be raised. No one, including any ruler, can dispute the validity of the Constitutional Amendment Bill 1993 because it was made in accordance with the procedures. The draft bill was clearly passed in accordance with the rules and legal provisions. Now that it has been passed, the bill is valid and can thus be legally enforced.

We are aware that the Spirit of 46 Party has widely painted a worrisome picture about a possible collapse of the institution of the monarchy ever since the issue of the amendment first arose. Accordingly, the group has unleashed various intimidations and instigations clearly aimed not only at expanding its political propaganda, but also at using the rulers and the institution of the monarchy as well for the same purpose. We remind the Spirit of 46 Party, which likes to seize opportunities and split society, to be aware that the "work" it is doing is useless. The consent has once again smashed dirty political games by those who have been active in using the issue to gain influence. Although we know that the Spirit of 46 Party has tried to drag the sultan of Kelantan into the issue, everything is now over. No matter what the party does, laws will not be prevented from taking their own course in accordance with the principles of parliamentary democracy practiced in the country.

Nevertheless, we think the Spirit of 46 Party will certainly not stop seeking new ammunition to convince its supporters that it is not a party which in fact ceased to exist a long time ago. What else can it do after failing to exploit the amendment issue? Because of this, Spirit of 46 Party leaders will certainly stubbornly refuse to accept the fact that the amendment bill has already been approved. Perhaps Spirit of 46 Party leaders are now active in seeking new tricks to allow them to continue to raise and dispute the amendment issue at least to again attract the attention of their members. We think that if the Spirit of 46 Party or any parties want to dispute the validity of the amendment bill, they will subsequently have to be ready to face the risks. As citizens who accept the system of constitutional monarchy, we certainly do not want the nation's laws to be easily challenged primarily to serve the political interests of a certain party. Accordingly, it is necessary for the government to take action against those who do so. As Datuk Sri Dr. Mahathir Mohamed said yesterday, appropriate legal action will be taken against those who claim that the amendments which have been passed by Parliament are illegal.

Singapore TV Blamed for Children's Poor Malay

BK0104112393 Singapore THE STRAITS TIMES in English 31 Mar 93 p 14

[Text] More than half the Chinese families in Johor tune to Singapore Broadcasting Corporation (SBC) channels and this has contributed to the poor standard of Bahasa Malaysia [Malay] among their school-going children, according to a senior state education official.

Johor Chinese schools supervisor Ng Chin Tiong was quoted in THE STAR newspaper yesterday as saying that there was a vast difference in the Bahasa Malaysia grades scored by Chinese students in Johor compared with those achieved by Chinese students in other states.

He attributed this to the Johor students watching SBC channels which air many English-language programmes.

Johor is the only Malaysian state which receives SBC broadcasts.

He said: "Their preference for Singapore programmes has contributed to the lower passing grade in Bahasa Malaysia among Chinese students in Johor.

"TV programmes in Singapore do not expose students to the Malay language. Unlike locally aired vernacular programmes, Singapore programmes do not have Malay subtitles."

Chinese families in Johor deprived their children an effective medium to improve their Bahasa Malaysia through Malaysian television networks, he said at the opening on Monday of a seminar on the teaching of Bahasa Malaysia in Chinese schools.

State-owned Radio Televisyen Malaysia has dedicated one of its two channels to broadcasting programmes in Bahasa Malaysia.

Most programmes in English, Chinese, or Tamil shown on its other channel and on TV3, a private station, are subtitled in Bahasa Malaysia.

Proficiency in Bahasa Malaysia, the official language, is crucial for gaining entrance to university and attaining good academic qualifications in Malaysia.

About 300 teachers in the state attended the one-day seminar organised jointly by the national and Johor Chinese teachers' associations, the paper said.

Mr. Ng said that the seminar would serve as a base to formulate effective teaching methods to upgrade the standard of Bahasa Malaysia in Chinese schools.

He added that commitment from all parties was vital to bring about better grades in the subject.

Teachers, he said, should not be contented with the steady pass rate in the past three years.

Singapore

Minister: 'Healthy' Economy Set To Grow 6-7%

BK0104125093 Singapore THE STRAITS TIMES in English 1 Apr 93 p 1

[By Shaun Seow and Chan Hwa Loon]

[Text] The healthy trade performance so far shows that the Singapore economy is likely to meet the higher 6 to 7 percent growth forecast for this year, said Trade and Industry Minister S. Dhanabalan.

But as the first quarter was just over, Mr. Dhanabalan cautioned against reading too much into it.

"Although there are good signs that this slightly higher growth will in fact be the case, it's too early for us to be certain about it," he said in an interview with THE STRAITS TIMES on Tuesday.

He attributed the weak growth in January's non-oil domestic exports to the Lunar New Year holidays that month. The festival usually falls in February.

"As you know, the Lunar New Year period is a quiet period. So I'm not surprised that our domestic exports grew only 3.3 percent. But in February, it bounced back and actually grew at 33 per cent."

The 90-minute interview was his first with the press since he took his present job in December. Mr Dhanabalan, who quit his post of national development minister in September last year, rejoined the cabinet to take over Brigadier General (Res) [Reservist] Lee Hsien Loong's trade and industry portfolio.

He is standing in for BG [Brigadier General] Lee, now undergoing chemotherapy for cancer, until the Deputy Prime Minister has recovered completely.

Looking relaxed in his 50th storey office in Treasury Building, Mr. Dhanabalan on Tuesday fielded questions ranging from the Singapore economy to globalisation efforts to the embryonic AFTA [ASEAN Free Trade Area].

He explained the basis for revising this year's official growth forecast to 6-7 percent from 5.5-6.5 percent estimated only three months earlier. "The basic reason is the 1992 last quarter figures were much better than we had expected. Trade, for example, in December for non-oil domestic exports rose by 45 percent compared to December 1991."

Other reasons included the turnaround in the manufacturing sector, especially the electronics industry and leading indicators that showed a strong upward trend.

"Externally, although there were fears that the U.S. recovery may not be sustained, it appeared clearer by early this year that it could be sustained. It may not be on a long-term basis, but at least for '93. And then of course, on top of that is the performance of the regional economies which are still strong."

On why the Singapore economy had displayed such resilience last year, growing by a faster-than-expected 5.8 percent, Mr. Dhanabalan said evidence did suggest that the republic had weathered the storm quite well.

While the Organisation for Economic Cooperation and Development (OECD) countries posted considerably slower growth over the last two years, Singapore did not decline by as much.

"The other factor, of course, is that foreign investment growth in Singapore was still healthy despite the fact that our costs in Singapore have gone up.

"Foreign investment grew by 13 percent in '92 compared to a very small increase in Malaysia ... and an actual decline, for example, in Taiwan ... So that again shows the basic resilience of the Singapore economy."

In his view, Singapore's ability to adapt to new circumstances—as evident in how it recovered quickly from the 1985 recession—was a "very strong underlying factor which explains our resilience".

Other factors were the more broad-based nature of the economy, more diversified export markets, and a good spread of investments from the United States, Europe, and Japan.

He also dismissed suggestions that the government was pump- priming the economy through massive construction works. "I think that's a misconception because even if we exclude the construction sector, we would still have grown at 5 percent last year, which is not flat. I think there are many countries which at our level of economy would be very glad to have a 5 percent growth."

As housing—a major public sector construction activity—is demand-driven, "there is no question of us overbuilding."

"In fact, demand has gone up and we are trying to meet the increased demand.

"But the other important factor is that the private sector construction activity actually was higher than the public sector ... So I don't think the conception that somehow, we are artificially pump-priming the economy, is an accurate picture."

Economic Pacts Signed With PRC, Germany

BK3103142693 Singapore Singapore Broadcasting Corporation in English 1100 GMT 31 Mar 93

[Text] The first batch of 30 Chinese engineers will begin their training here next month under a memorandum of understanding [MOU] signed today between Singapore and China. The MOU was signed between the Production and Industry Development Board and China's Ministry of Construction. [Words indistinct] 150 Chinese engineers and managers will be trained over the next five years. The training program comprises a three-month, full-time course on construction management and a year of practical training with local contractors.

Singapore also signed an MOU with Germany which provides for technical exchanges, training, and technology transfer. The agreement was between the Ministry of National Development and the Federal Ministry of Regional Planning, Building, and Urban Development. Germany is interested to learn Singapore's construction technology, [words indistinct] environment. The National Development Ministry said Singapore was keen to learn more about Germany's transport technology.

Diplomatic Relations Established With Kazakhstan

BK3003143793 Singapore Singapore Broadcasting Corporation in English 1400 GMT 30 Mar 93

[Text] Singapore and Kazakhstan have agreed to establish diplomatic relations as from today. This is to strengthen and develop friendly relations between the two countries.

Cambodia

'Unidentified Gunmen' Attack Video Hall

BK0104051693 Hong Kong AFP in English 0500 GMT 1 Apr 93

[Text] Phnom Penh, April 1 (AFP)—Unidentified gunmen opened fire on a video hall in central Cambodia, killing 27 people who were watching a film, a U.N. spokesman said Thursday. The nighttime attack Wednesday was in a Cambodian village in Kompong Thom, and unlike other recent massacres no ethnic Vietnamese were believed to have been killed, U.N. spokesman Eric Berman said. No U.N. personnel were involved, he said.

The U.N. civilian police report said 27 people were killed, but U.N. military observers have so far counted 11 bodies, Berman said. The attack occurred in a district of Kompong Thom that is heavily disputed between the Khmer Rouge and Phnom Penh government forces, who engage in constant ceasefire violations despite a peace treaty ending Cambodia's civil war.

Suspected Khmer Rouge Shoot at Boatpeople

BK0104070293 Hong Kong AFP in English 0625 GMT 1 Apr 93

[Text] Phnom Penh, April 1 (AFP)—Suspected Khmer Rouge guerrillas shot from the shore at a group of Vietnamese boatpeople fleeing their ethnic cleansing campaign, injuring a little girl, a U.N. spokesman said Thursday. The gunmen fired from the same shore in Kompong Chhnang province from where suspected Khmer Rouge guerrillas shot dead or hacked to death eight Vietnamese fishermen last week, U.N. spokesman Eric Falt said.

Meanwhile, nearly 2,000 boatpeople have already passed into Vietnam via the Mekong and Tonle Bassac rivers, he said.

Early Thursday, another group of 200 people were waiting to cross into Vietnam, he said. "It is unclear if any people are being denied access into Vietnam," Falt said. Previously, the boats have been able to glide right through the border without stopping at the Vietnamese side.

The little girl, whose age was unknown, was shot in the abdomen and taken to a hospital in Kompong Chhnang, Falt said. Phnom Penh government armed naval patrols returned fire at the gunmen, and armed U.N. patrols observed the attack from a distance, he said.

Up to 12,000 ethnic Vietnamese—many born in Cambodia—are fleeing a series of recent massacres by the Khmer Rouge and grenade attacks by unknown assailants. The girl was among a group of about 70 people escaping in 19 boats, the spokesman said.

A number of boat people were sending their families ahead by road to meet up with them in Phnom Penh on their way out of the country, in order to avoid the most dangerous stretch of the journey passing through Kompong Chhnang. "This indeed exemplifies the most dangerous part of the trip," Falt said.

The U.N. Transitional Authority in Cambodia (UNTAC) said Wednesday that its armed patrols would open fire to defend the boatpeople if they came under attack along the route. At least 1,000 boats are on the river on their way to Vietnam, according to UNTAC figures. In the crossings into Vietnam on March 25-31, 49 boats crossed via the Mekong River and 292 boats crossed via the Tonle Sap, with an average of five to six people per boat, Falt said.

Further on Attacks on Arcade, FUNCINPEC

BK0104074293 Hong Kong AFP in English 0729 GMT 1 Apr 93

[Text] Phnom Penh, April 1 (AFP)—Unidentified gunmen opened fire on a video hall in central Cambodia, using grenades and assault rifles to kill 27 villagers who were watching a film inside, a U.N. spokesman said Thursday. Many of the victims were women and children. At least 20 people were injured, some seriously, U.N. spokesman Eric Falt said. Unlike recent attacks of the same magnitude directed at ethnic Vietnamese settlers, the victims of Wednesday night's attack in disputed Kompong Thom province were all ethnic Khmers, Falt said.

Cambodia's security has become increasingly tenuous, with mounting numbers of massacres of civilian populations

being reported from the center of the country. Violations of a 1991 ceasefire and attacks by unidentified gunmen have been increasing in the southern and western parts of the country as well.

Falt also reported that in western Battambang province, 50 men in military uniforms attacked an office of the pro-royalist FUNCINPEC party, killing three party workers and injuring another four inside. The attack with AK-47 assault rifles, B-40 rocket-propelled grenades, and hand grenades lasted a half hour, Falt said. The attackers then went on to rob several houses in the village. A short time later, a U.N. civilian police patrol came under fire, but none of the car's occupants were injured, he said. "We don't know if there is a connection between the two incidents," Falt said.

In Kompong Thom, a local militiaman in the village 10 kilometers (six miles) northwest of the provincial capital, returned fire at the group of 10 attackers and killed one of them, Falt said. The attacker was wearing civilian clothes and his affiliation was not known, he said.

The gunmen directed their attack against the local video parlor where a number of villagers had assembled to watch a film, Falt said. They opened fire with AK-47 assault rifles and B-40 rocket propelled grenades, he said. The U.N. civilian police report said 27 people were killed, but U.N. military observers counted 11 bodies so far, Falt said. Four were women and three were children. The attack occurred in a district of Kompong Thom that is heavily disputed between the Khmer Rouge and Phnom Penh government forces, who engage in constant ceasefire violations despite a peace treaty ending Cambodia's civil war.

"Kompong Thom has been for months the scene of conflict between" Phnom Penh government forces and the Khmer Rouge, Falt said. He said the motive initially appeared to be banditry, but had no reports of anything being stolen.

Sihanouk To Return to Phnom Penh Despite Warnings

HK0104040393 Hong Kong AFP in English 0347 GMT 1 April 93

[Text] Beijing, April 1 (AFP)—Cambodia's Prince Sihanouk will leave here Friday [2 April] for Phnom Penh despite Khmer Rouge warnings that he runs the risk of assassination if he returns, sources in his cabinet said Thursday [1 April]. "Monseigneur will return to Phnom Penh tomorrow (Friday) as planned," a member of the prince's cabinet said. He will leave Beijing in the morning aboard a special Cambodian Government flight, he added.

In Phnom Penh next week Sihanouk will welcome United Nations Secretary General Butrus Butrus-Ghali, before leaving for Pyongyang mid-April to attend the 81st anniversary of North Korean head of state Kim Il-song. Sihanouk, president of Cambodia's Supreme National Council, had received a letter from Khieu Samphan, titular head of the Khmer Rouge, warning him that he ran the risk of assassination, the source said. The prince has not commented on the letter, in which Khieu Samphan advised him to live far from the Cambodian capital because he ran the risk of being assassinated by unidentified "enemy". "We reached the conclusion that the enemy is in a position to dispatch small commando units to liquidate Samdech (Sihanouk), our national leader," if he tries to return to Phnom Penh, the Khmer Rouge chief said in the letter. "Samdech must not go to Phnom Penh until the situation there has settled down," the letter said, describing the situation at present as "seriously disturbed and anarchic". Sihanouk, 70, has a permanent home in Beijing where since March 2 he has been undergoing medical tests.

'Puppet Soldiers' Attack Phnom Penh Monument

BK3103043293 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 30 Mar 93

[Excerpt] Sources in Phnom Penh say that on the night of 27 March, a group of Phnom Penh puppet soldiers lobbed grenades at the monument symbolizing Vietnam's Indochinese federation in front of Vat Botum monastery in Phnom Penh.

The reports say that people in Phnom Penh, like those traveling in and out of Phnom Penh, have been angry with this Vietnamese monument for some time. Whenever they see it, the people constantly curse this monument. They say that Cambodians do not bow and become Vietnam's servants like Laos and that this monument brings bad luck because the Hanoi Vietnamese have a strategy to annex and include Cambodia into its Indochinese federation. [passage omitted]

Indonesia

E. Timor Operational Command To Be Dissolved

BK3103155593 Jakarta SUARA PEMBARUAN in Indonesian 16 Mar 93 pp 1, 16

[Excerpt] Dili, 16 Mar—The commander of the Ninth Udayana Military Command (KODAM), Major General Suwardi, said that the appointment of Colonel Suntoro as the new commander of 164/Dili District Military Resort replacing Colonel Dunija is in line with preparations to dissolve the East Timor's Operational Execution Command (KOLAKOPS). Plans for the liquidation of KOLAKOPS, which was a temporary military force in East Timor, had been submitted to the commander of the Armed Forces of the Republic of Indonesia, ABRI, some time ago.

Maj. Gen. Suwardi disclosed this to newsmen in Dili on Monday (15 March) following the appointment ceremony of the commander of the military resort at the Military Sub-Area Command Headquarters in Dili. He said that only the Military Sub-Area Command (KOREM) will be left to carry out military functions in East Timor, similar to other provinces in Indonesia.

The commander of Udayana Military Command, who was accompanied by the chief of East Timor military field operations, Brigadier Theo Syafie, said that to prepare for disbanding the KOLAKOPS, a team of officers from ABRI headquarters and the Army headquarters had been dispatched to East Timor. He said "We have observed instructions from the ABRI commander to prepare in an orderly manner and as quickly as possible for disbanding the command."

According to Maj. Gen. Suwardi, disbanding KOLAKOPS will automatically mark the nonexistence of the command and its function will be carried out by the 164/Dili District

KOREM. With this, personnel with the rank of colonel who were formerly assistants in KOLAKOPS will be absorbed into the structure of the KOREM organization, to hold the post of section chief.

However, Maj. Gen. Suwardi and Brig. Gen. Theo were not willing to reveal the exact date when KOLAKOPS will cease operations. "All preparations to dissolve KOLAKOPS are ready. Now KOREM and the commander of KOLAKOPS are coordinating to fix the right date to dissolve KOLAKOPS," Maj. Gen. Suwardi said.

A reporter asked "Will the composition of current combat troops be reduced once Dili becomes a sub-area command?" Maj. Gen. Suwardi said that a military resort is capable of carrying out both military operations as well as territorial operations.

The commander of Udayana Military Command said that disbanding KOLAKOPS from East Timor shows that conditions there are improving. For example, the development program is proceeding smoothly, the people are more aware of, and understand the meaning of having a nation and a government.

"But Sir, now we still have members of the GPK [Security Disturbance Movement, or Revolutionary Front for an Independent East Timor] in the jungle" a reporter noted.

The commander answered "Sooner or later they will realize that the current situation is good and they will enter the mainstream." [passage omitted].

Commander Comments on Phase-Out

BK0104033493 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 1 Apr 93

[Text] Brigadier General Theo Syafei, commander of the Udayana Ninth Regional Military Command, says the presence of ABRI [Indonesian Armed forces] personnel, both territorial and organic forces, in East Timor will be phased out and the regional government will take over ABRI authority in 1995 at the latest. Speaking to reporters after seeing off the Indonesian Army chief of staff at Denpasar's Ngurah Rai Airport, Brig. Gen. Theo Syafei said the phasing out process will be done gradually by the abolition of the East Timor Kolakops [Operations Implementation Command]. The planned abolition of the command is attributed to the fact that security situation in East Timor is improving from day to day, especially when compared to the situation two years ago.

Spokesman Announces Regional Military Command Changes

BK3003150693 Jakarta ANTARA in English 1425 GMT 30 Mar 93

[Text] Jakarta, Mar 30 (ANTARA)—Major General K. Harseno is scheduled on April 2 to hand over his post Jakarta Military Commander to Brigadier General Hendro Prijono. Spokesman for the Jakarta Military Command Lieutenant Colonel Permana disclosed here on Monday that Brigadier General Hendro was director of the Armed Forces Strategic Intelligence Agency. He graduated from the National Military Academy in 1967.

In the meantime, Chief of Staff of the Jakarta Military Command Brigadier General Haris Sudarno will succeed Major General R. Hartono as East Java Military commander. The post of West Java Military commander has also been transferred from Major Generaal Nuriana to Brigadier General Muzani Syukur in Bandung on Monday. Syukur was operations assistant to the Army Chief of Staff.

Major General Suwardi will soon hand over his post of Bali Military Commander to Brigadier General Theo Syafei, now still Military Operations Coordinator for East Timor.

Official Urges 'Balanced' Human Rights Approach

BK3003160693 Jakarta ANTARA in English 1436 GMT 30 Mar 93

[Text] Jakarta, March 29 (ANTARA)—Indonesia has called on Asian countries to draw the international community's attention to the need for a balanced approach to the issue of human rights in accordance with the principles embodied in the universal declaration on human rights. The appeal was made at the opening of the Asian preparatory meeting for the world conference on human rights in Bangkok Monday by S. Wiryono, director general for political affairs of the Foreign Ministry.

"There should be a symmetry between respect for the fundamental freedom of individuals on the one hand, and respect for the individual's duties or responsibilities to society and state on the other", he said.

According to Wiryono, the absence of such a balance would render the right of society as a whole moot and this could lead to social upheaval and even anarchy. He said that the prevailing view in Asia shows that the human being "is both an individual and a member of society. His existence, therefore, can only become meaningful when he functions in a social environment."

Most Asian countries also happen to be at the level of development which necessitates increasing focus on the human being as both the agent and ultimate beneficiary of ultimate beneficiary of development, he said.

The right to development was recognized in the United Nations general assembly declaration of 1986, specifically the declaration's first article which states that the right to development is an inalienable human right. By virtue of this right, he said, every human person and all peoples are entitled to participate in, contribute to, and enjoy economic, social, cultural and political development in which all human rights and [word indistinct] can be fully realized. The full realization of civil and political rights without the enjoyment of economic, social and cultural rights was impossible, Wiryono said.

"For how can one express opinions freely if he is illiterate? How can one enjoy the right to property if he languishes below the poverty line? How can one exercise his right to free association if he is unemployed," he said. This was why most Asian nations attached great importance to the right to development, the Indonesian delegate noted.

Wiryono also called on participants of the Bangkok meeting which will conclude on April 1, to utilise the upcoming conference on human rights in Vienna as an arena for seeking changes in the manner in which human rights are promoted. The conference should address the interlinked

problems of politicization discrimination and the application of a double standard in considering human rights violations, and selectivity in the promotion of the aspects of human rights, he said.

The promotion and protection of human rights would be free from politization if international actions on human rights are based on the genuine and collective interest of the international community rather than on a desire of one country to score political points against another, Wiryono stated.

Non-governmental organisations involved in the promotion and protection of human rights should confine their activities to human rights concerns and should not engage in activities based on political motives, he said.

The politicization of human rights concerns invariably leads to the practice of discrimination and the application of double standards in considering human rights violations, he added.

"Thus, countries which become targets of international condemnation are not necessarily those with the worst human rights records," he said.

On the other hand, there were countries that deserved such condemantion but were spared from censure for reasons that had nothing to do with human rights.

According to Wiryono, such a condition would not happen if a single yardstick was applied in passing judgement on human rights violations anywhere in the world. Wiryono also called on Asian nations to urge the conference to effectively ensure once and for all the indivisibility and interdependence of all aspects of human rights. The Asian position should also stress the positive interrelationship between human rights and development, and express firm rejection of the growing tendency to use human rights as a conditionality for development assistance.

Such a practice did not only militate against the right to development but also presupposed that human rights violations happened only in the recipient countries and never in the donor countries. "This kind of a priori judgement is morally unacceptable," he stressed.

Laos

U.S. President Sends Message of Thanks

BK3103131293 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 31 Mar 93

[Text] Recently Nouhak Phoumsavan, president of the Lao People's Democratic Republic [LPDR], received a thank-you message from U.S. President Bill Clinton. The U.S. President's message said:

I would like to thank you for your warm congratulations extended to me on the occasion of my assumption of the U.S. presidency. Since the elevation of our diplomatic relations in the past year, we have made significant progress in our joint efforts to promote military cooperation in searching for U.S. MIAs and to carry out narcotics suppression operations. On the basis of this developed cooperation, I hope that the relations between our two countries will be further strengthened.

Thai Military Bank Opens Vientiane Branch

BK0104012293 Bangkok THE NATION in English 1 Apr 93 p B12

[Text] The Thai Military Bank [TMB] Ltd officially opened a branch office in Vientiane—the Lao capital—yesterday and said it hoped to recover the outlay within five years.

The bank is looking to attract new business opportunities to help it recoup its Bt [baht] lO million overhead.

Phariphan Nunphakdi, TMB's first vice president and the manager of its international banking department said initially most of its income would be from fee-based activities including issuing letters of credit and handling foreign exchange.

In the short run deposit taking will not make profits because under existing Laotian laws on land ownership, loans would be inadequately secured. But the bank will still undertake loss making bankin activities to help develop a financial infrastructure, a major concern of the Laotian authorities.

The bank will also offer to take deposits from local clients in three currencies, paying varying interest rates from three per cent for US dollars to six per cent for Baht and 12 per cent on Kip.

It seems likely that the Kip will be oversupplied. Within an hour of the opening ceremony, two bags full of Kip notes were unloaded on the manager's desk. It was the bank's first 50 million Kip deposit.

Officials said they are prepared to re-deposit excess Kip with other banks to cut losses.

A top TMB official made no secret of the fact that the bank would prefer to lend money to clients in a Thai-Lao joint venture and with Thai collateral rather to wholly Lao-owned enterprises.

Dr Thanong Phithaya, TMB's president, is optimistic about investment prospects. A Thai-Lao bridge connecting Nong Khai with Vientiane is scheduled to be open by mid-1994 and is expected to help boost tourism in the area.

The country also has a lot of forestry resources to sell as raw materials or semi-processed products. And, he said, if the construction of five dams is carried out as planned, forests in affected areas will have to be cleared and there will be more logging activity.

TMB is not the first Thai bank to set up in Vientiane. Siam Commercial Bank already has a branch as does the Joint Development Bank, a joint venture between a group of Thai businessmen and the Lao Government.

Other Thai banks applying for a Vientiane branch licence include Thai Farmers Bank and Siam City Bank.

Phoumi Vongvichit Attends Opening

BK0104043493 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 1 Apr 93

[Text] Yesterday morning, a ceremony was held in Vientiane capital to mark an official opening of Vientiane branch of the Thai Military Bank Limited. Guests of honor were Phoumi Vongvichit, adviser to the Political Bureau of the Party Central Committee, and Khamphoui Keoboualapha, deputy prime minister and chairman of the Planning and

Cooperation Committee. Also present were Nikhom Tantemsap, ambassador extraordinary and plenipotentiary of the King of Thailand to Laos, heads of various companies and factories or plants, and a large number of businessmen.

At the ceremony, Boutsabong Souvannavong, vice chairman of the Bank Committee of the Lao People's Democratic Republic [LPDR], delivered an opening speech. Later, Air Chief Marshal [ACM] Kan Phimanthip, executive member of the Thai Military Bank, had the honor of delivering a speech. In his speech, ACM Kan Phimanthip noted the significance of the opening of the Vientiane branch of the bank. He also assessed the progress in the economic cooperation between Laos and Thailand. He said: The opening of this branch of the bank is intended to serve both Lao and Thai businessmen by creating favorable conditions for them to carry out their trading business. It will also create favorable conditions for other foreign investors to make investments and carry out their businesses in the LPDR.

Khamphoui Keoboualapha and ACM Kan Phimanthip had the honor by cutting the ribbon marking the opening of the branch of the bank. They both then entered the bank office to view the operating functions.

The Thai Military Bank Limited has opened its main branches in six countries in Asia, namely Hong Kong, the PRC, the SRV, Cambodia, Japan, and the LPDR.

Assembly Chairman Thanks Russian Counterpart

BK3103042593 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 31 Mar 93

[Message from Saman Vi-gnaket, chairman of the National Assembly of the Lao People's Democratic Republic, to Ruslan Khasbulatov, chairman of the Supreme Soviet of the Russian Federation—date not given]

[Text] On behalf of the National Assembly of the Lao People's Democratic Republic [LPDR] and in my own name, I would like to express my heartfelt thanks to Your Excellency for the cordial greetings that Your Excellency has sent to me on my election as chairman of the LPDR National Assembly. As chairman of the National Assembly, I am determined to do my best and concentrate all my intelligence on fulfilling the heavy but honorable and glorious task entrusted to me by the Lao people for the benefit of the nation, and the prosperity and happiness of the Lao people. I will also do my utmost to increase the promotion, expansion, and strengthening of the long-standing friendly relations and cooperation between the states and the assemblies of our two countries—Laos and Russia. On this occasion, I wish Your Excellency success and good health.

Party-State Delegation Leaves for SRV Visit

BK0104060593 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 1 Apr 93

[Text] In response to an invitation of the Communist Party of Vietnam [CPV] Central Committee and the state of the SRV, a high-level delegation of the Lao People's Revolutionary Party [LPRP] and the state of the Lao People's Democratic Republic [LPDR] led by Comrade Khamtai Siphandon, chairman of the LPRP Central Committee and prime minister of the LPDR, left by a special plane for an official friendship visit to the SRV this morning. Accompanying Comrade Khamtai Siphandon in the delegation on this occasion were Comrade Phoun Sipaseut, deputy prime minister in charge of supervising foreign affairs; Comrade Choummali Sai-gnason, Political Bureau member of the Party Central Committee and minister of national defense; Comrade Vongphet Saikeu-yachongtoua, vice chairman of the National Assembly; Comrade Somsavat Lengsavat, minister of foreign affairs; Comrade Khamsai Souphanouvong, minister of finance; Comrade Bouathong, minister of communications, transport, posts, and construction; Comrade Khamphet Phengmeuang, ambassador extraordinary and plenipotentiary of the LPDR to the SRV; Comrade (Chiangsouk Bounthan), deputy minister and deputy head of the Office of the Party Central Committee; and Comrade Bouason Boupphavan, deputy minister attached to the Prime Minister's Office.

The sending-off ceremony for our high-level party and state delegation was held at the National Assembly hall in Vientiane. The ceremony was attended by Comrade Nouhak Phoumsavan, Political Bureau member of the Party Central Committee and president of the LPDR, and Comrade Saman Vi-gnaket, Political Bureau member of the Party Central Committee and chairman of the National Assembly, along with comrade members of the Political Bureau of the Party Central Committee, deputy chairmen of the National Assembly, deputy prime ministers, members of the Party Central Committee, ministers, and deputy ministers. Also attending the ceremony was Bui Van Thanh, charge d'affaires of the SRV embassy to Laos, along with cadres of the embassy.

Comrade Party Chairman and Prime Minister Khamtai Siphandon and the delegation will stay in the SRV for four days for the official friendship visit. During the visit, in addition to holding meetings with high-level leaders of the CPV and the government of the SRV, Comrade Khamtai Siphandon will jointly sign an agreement on immediate and long-term cooperation in many fields between the two countries. The delegation will also visit production establishments in various areas in Hoa Binh Province and Ho Chi Minh City.

Finance Ministry To Oversee National Treasury

BK2703135893 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 27 Mar 93

[Text] On 26 March at the Ministry of Finance, Khamsai Souphanouvong, minister of finance; and Boutsabong Souvannavong, governor of the Bank of the Lao People's Democratic Republic [LPDR], jointly signed a document to separate the National Treasury from the National Bank and to transfer it under the direct supervision of the Finance Ministry. The signing ceremony was attended by Phao Bounnaphon, minister attached to the Prime Minister's Office; Kikham Vongsai, deputy minister of finance; and a number of high-ranking officials concerned.

On the same occasion, Finance Minsitry officials also discussed the role, responsibilities, and duties of the National Treasury. They noted that the National Treasury has (?the right) to open saving accounts at the (National) Bank and the duty to implement the essential measures taken by the state on cash transactions and management. Bank accounts must also be opened with the National Treasury to enable all

monetary relations and transactions among the various departments and economic organizations to take place.

Philippines

Editorial Criticizes 'Confusing' Clinton Signals

HK0104031593 Manila THE MANILA CHRONICLE in English 1 Apr 93 p 4

[Editorial: "The Two Faces of Clinton"]

[Text] ASEAN ambassadors to Washington, meeting together last March 9, were reported to have noted the Clinton administration's seeming lack of interest in the region and agreed to "act as a group" in dealing with the United States. The envoys were alarmed that there was hardly any mention of ASEAN in the new U.S. president's major economic policy addresses. In contrast, Clinton has repeatedly pledged his administration to the North American Free Trade Agreement, the trade bloc the U.S. has formed with Canada and Mexico, which has inspired worry in ASEAN, whose traditionally biggest market happens to be the U.S.

Whether the strategy would draw the Clinton administration from its intense preoccupation with American affairs and look farther across the Pacific is doubtful. The U.S. is not used to dealing with blocs and normally prefers to conduct bilateral dealings.

The case of the Philippines is a sobering, even humiliating, reminder of how times have changed. One would expect that America would treat the Philippines with more than the usual attention, given their long friendship. Since the pullout of American military bases from the Philippines, Filipinos have been treated with no more than cordial neglect.

President Ramos must have realized this recently. Emboldened by a personal letter from Clinton reaffirming U.S.-Philippines ties, he announced in his Tokyo visit that he had invited the U.S. president to stop over Manila when he tours Japan. Apparently, the U.S. president has turned that down. Now even Mr. Ramos' planned visit to the U.S. after the China trip has been put off indefinitely. Malacanang now says the planned trip is still "under study."

It can be argued, of course, that the Philippines and ASEAN should allow more time for the new U.S. administration to get acquainted with its allies in the Asia-Pacific. After all, the Clinton ticket was voted into office for its emphasis on domestic affairs. Moreover, the ASEAN envoys have been assured by U.S. officials in the Economic Cooperation Committee that Clinton will surely devote much of his time to ASEAN.

What should concern the Philippines really is President Clinton's confusing policy signals as a result of his appointment of several key people to his government, some of them to posts that directly affect developing countries like the Philippines. The disastrous appointment of Zoe Baird as attorney-general prefigured this confusion. A Democrat president traditionally makes the justice department a highlight of the liberal proclivities of the administration. Baird sure is a Democrat, but with the findings she hired illegal aliens as domestics and skipped paying their social security taxes, it appears that a sea-change has occurred during the long years of Republican rule, breaking the benign and enlightened liberal mold of the Democrats that we used to know. These days you cannot identify which is which.

The most recent example of the confusion is Clinton's appointment—and the Democrat-dominated Congress' confirmation—of Lawrence Summers, a member of America's East Coast establishment, as treasury undersecretary for international affairs, the administration's top overseas development policy job. Summers, earlier named to the Council of Economic Advisers, was confirmed amid the objections of worldwide development, environmental, church, women's and civil rights organizations.

Summers, if you remember, was the chief World Bank economist who masterminded the structural adjustment programs widely criticized for exacerbating poverty, environmental degradation and inequity in developing nations.

Whether the World Bank's conservative policies have indeed aggravated the poverty of the Third World is the subject of intense, probably interminable debates. But surely Clinton could have picked a less controversial figure to represent the U.S. in development talks with poor countries. In the first place, Summers has achieved notoriety for making scathing remarks about developing nations in his World Bank memos. On one occasion, he said that African countries were "under-polluted" and, on another, suggested that the industrialized countries dump toxic waste in less developed countries.

The appointment of Summers in fact has put in doubt Clinton's commitment to sound environment and sustainable development, hallmarks of the Democratic campaign and fundamental concerns of many developing nations. What we are seeing may be the two faces of Clinton, the Kennedy reincarnation espousing liberal causes and the child of the Reagan era brought up in the ambience of trickle-down economics, affluence and Washington-speak. Like Bush the wimp and Bush the warrior, Time Magazine's Man of the Year in 1991, Clinton may be Janus-faced.

The confusing policy signals extend to the Clinton administration's treatment of the Philippines. Nowhere in the history of U.S. administrations have Filipinos been appointed to a number of important posts as in the Clinton government. But, more and more, the Philippines has felt isolated from American concerns.

Trade, Investment Experts Take 'Key' U.S. Posts

HK0104035293 Manila BUSINESS WORLD in English 1 Apr 93 p 12

[Text] Seeking to underscore the priority placed on economic issues in the country's diplomatic moves abroad, Foreign Affairs Secretary Roberto, Romulo yesterday named trade and investment experts to key posts in the United States. Antonio Basilio, currently Philippine Trade Counselor at the Embassy in Washington DC, has been moved up to deputy chief of mission for economic affairs. Prior to his stint in Washington, Mr. Basilio was engaged in Uruguay Round talks in Geneva and was director of the Department of Trade and Industry's Bureau of International Trade Relations.

Mr. Basilio organized the RP[Republic of the Philippines]-US Business Development Council to coordinate and provide logistical support for trade and investment promotion efforts in the US. While he had previously taken and passed the DFA's [Department of Foreign Affairs] foreign service officers' exam, Mr. Basilio's lateral movement is through political appointment and will therefore be coursed through the Commission on Appointments, Mr. Romulo said.

Given the new track of forming a focused investment effort out of the Philippine Consulate in New York, Mr. Romulo said he had tapped investment banker Roberto Lesaca Garcia as Consul General to replace Rodolfo Arrizala, recently named envoy to Chile.

MNLF Sees Basilan Tension Blocking Settlement

HK3103062093 Quezon City ABC-DWET Television in Tagalog 1000 GMT 30 Mar 93

[From "ABC-DWET television news"]

[Text] It seems that whatever peace process is initiated in Mindanao, it cannot prosper without a trace of violence. A political agreement seems farfetched now between the government and Moro National Liberation Front [MNLF] due to the tension developing in Basilan as a result of clashes between the MNLF and the military.

Arlene de la Cruz has the report:

[Begin recording] [De la Cruz] According to the general staff of the Bangsa Moro Armed Forces [BMAF] of the MNLF, the new tension between the military and its forces in Basilan is enough to abort a political settlement with the government. General Yusuf Jikiri of the BMAF general staff told ABC 5 the battle has begun not only in Basilan but also in other areas where MNLF has forces. Jikiri is second only to MNLF Chairman Nur Misuari in terms of influence among MNLF followers.

[Jikiri] We are on the way of building up our military establishment.

[De La Cruz] This [referring to video showing young men in training] is only one of the squads of MNLF's special or crack forces being trained for battle. The Mujaheedin like them were trained in Arab war methods. Their instructors were sent by MNLF for training in the Middle East.

[Jikiri] We cannot see peace now because... [changes thought] had the Basilan clashes not occurred, we may still see peace. Today, it seems peace is too far away.

[De La Cruz] In marking MNLF's 25th anniversary, the BMAF stressed its determination to secede and form its own direction for the Muslims. [end recording]

Administration Candidates Win Top ARMM Posts

HK0104070293 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 1 Apr 93

[Text] The regional board of canvassers at noon today finished the final tabulation of votes in the four provinces that make up the Autonomous Region of Muslim Mindanao [ARMM] after three hours of counting at the session hall of the Commission on Elections headquarters [in Manila]. The four provinces whose votes for candidates for governor and vice governor were counted are Lanao del Sur, Tawi Tawi, Maguindanao and Sulu.

Based on the result of final canvassing in the four ARMM provinces, administration candidates former Ambassador Liningding Pangandaman and Attorney Nabil Tan of Strength-National Union of Christian Democrats won over the candidates of Struggle of Filipino Democrats led by incumbent Governor Sacaria Candao and Vice Governor Benjamin Loong. Pangandaman led by 366,246 votes over Candao, while Tan won by 122,847 over Loong. Based on the total votes, Pangandaman received 602,585 votes, Candao 236,339, Tan 481,343, and Loong 328,596. This is the breakdown of votes in the provinces:

In Lanao del Sur: Pangandaman, 220,078; Candao, 42,969; Tan, 191,964; Loong, 59,370. In Sulu: Pangandaman, 181,315; Candao, 35,360; Tan, 119,614; Loong, 97,037. In Tawi Tawi: Pangandaman, 70,686; Candao, 13,925; Tan, 41,336; Loong, 37,151. Pangandaman won in the provinces of Tawi Tawi, Lanao del Sur and Sulu, while Tan won in all four provinces. In Maguindanao, Candao won. The breakdown of votes: Pangandaman, 121,804; Candao, 144,085; Tan, 151,006; Loong, 112,461.

Based on these results, the proclamation of the winning candidates will be completed by this afternoon. The regional board of canvassers was headed by Attorney Resureccion Borra, a Commission on Elections executive director.

13 Rebels Killed, 8 Wounded in Kalinga-Apayao

HK3103045493 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 30 Mar 93

[Text] Thirteen communist rebels were killed and eight others were wounded in an encounter with the military in Kalinga-Apayao. Major General Romulo Yap, Northern Luzon Command chief, said members of the 5th Philippine Army Infantry Division killed seven communist rebels during an encounter in Luna, Kalinga-Apayao. They also killed six other rebels as they pursued them retreating to the town of Balbalan. No casualties were reported on the side of the government forces. Ten M-16 armalite rifles, several rounds of ammunition, and subversive documents were confiscated from the rebels.

Tokyo To Fund 10 Bridge Projects in Luzon

HK0104040093 Manila MANILA BULLETIN in English 1 Apr 93 p 16

[Text] Public Works and Highways Undersecretary Romulo del Rosario, officer-in-charge of all DPWH [Department of Public Works and Highways] regional projects, said yesterday the Japanese government, through the Japan International Cooperation Agency (JICA), turns over today 10 bridge projects worth P288.1 million [Philippine pesos] to the Philippine government. President Ramos leads the turnover ceremonies with Acting DPWH Secretary Edmundo V. Mir and other top government officials.

The bridge projects with a combined length of 629 meters are part of the agreements between the two governments to build bridges along arterial roads under the JICA bridge construction projects, Phase III, Group 2. Del Rosario said the Japanese grant covers the construction of 10 permanent

bridges in Region I, III, IV-A, and IV-B to replace temporary and dilapidated spans which include the supply of steel materials and the construction of sub and superstructures, approach roads, and river and river bank protection works.

The government will handle the acquisition of road right-of-way, demolition of obstacles, and building of all roads and bridges leading to the project sites passable for transportation of materials and equipment, Mir said. The hauling and delivery of the bridge components will be borne by Japan government, he said.

Mir said the construction of the bridge projects, which started last April, was undertaken by Japan's Toyo Construction Co. with supervision by Katabira Engineers International and implementation by the DPWH. The bridges implemented through JICA grants are the Mapalindo Bridge in Binmaley, Pangasinan; Bacong and Apollo Bridges, both in Bataan; San Roque Bridge in Hagonoy, Bulacan; Mangkuyog Bridge in Nueva Ecija, Sula Bridge in Tarlac; Camagong Bridge in Alabat, Quezon; Paragusan Bridge in San Pablo, Laguna; Tan-Agan Bridge in San Andres, Romblon; and Ihatub Bridge in Boac, Marinduque.

The effects of the bridge reconstruction are evaluated not only in relation to traffic but also to their contributions to the development of agricultural and industrial productivity, Del Rosario said.

Dutch Reject Sison Request for Political Asylum

HK0104095593 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 1 Apr 93

[Text] Congressman Gillego has said that Jose Maria Sison is not coming back to the Philippines even if he is deported from the Netherlands. Andy Verde has the details:

[Begin Verde recording] This was the statement by Congressman Bonifacio Gillego, a retired military official and chairman of the House Committee on Human Rights, in relation to a report that Sison's request for asylum in the Netherlands has not been granted. Gillego said that there are many other countries from which Sison could seek asylum, like Scandinavian and European countries, that support his ideology. However, Congressman Gillego said this could be a personal setback for Sison because the Communist Party of the Philippines-New People's Army has already stabilized its operations in the Netherlands and if he moved the base to other countries, they have to start anew.

Meanwhile, Quezon Representative Marcel Punzalan has expressed joy over the report that the Netherlands has refused Jose Maria Sison, Communist Party of the Philippines chairman, the opportunity to remain in their country, when it did not approve Sison's request for political asylum. He said that Sison may return to the country and become a positive factor to the ongoing peace talks for the rebels. Punzalan added that Sison should not be arrested upon his return to the country because he has the right to participate in the government's peace process. He said that Sison could only be arrested if there is a standing warrant of arrest related to the charges filed against him. [end recording]

President Speaks on Streamlining Bureaucracy

HK0104035493 Manila MANILA STANDARD in English 1 Apr 93 p 5

[Text] President Ramos yesterday gave the go-signal for all government agencies and offices in the Executive Branch to implement their respective streamlining plans and program to cure the illnesses of the bureaucracy, particularly graft and corruption. The President, however, assured the streamlining move will not result in the lay-off of state workers.

The President gave his thumbs up signal for the implementation of the government streamlining at the end of the one-day Cabinet Workshop on improving the bureaucracy held at the Palace. The President challenged participants of the workshop composed of department secretaries and other ranking government officials to "mesh, not mess up" the functions of their respective state agencies and to work for the substantial reduction of graft and corruption incidence. "We must prove that government is not unavoidably corrupt," the President urged. "We must take decisive action against both bribe-taker and bribe-giver," Mr. Ramos vowed.

The President said he expected the workshop to diagnose the illnesses that sap the strength of government and determine the cure to pave the way for the full emergence of a "dynamic bureaucracy that is responsive in its delivery of services to the people." Mr. Ramos stressed that streamlining the bureaucracy is one of the five major pillars of his ten-month-old administration. These, he said, are premised on the twin themes of "Global Excellence" and "People Empowerment" which will eventually resolve the major problems affecting the government's envisioned growth of the country under the so-called "Philippine 2000," program.

The President identified the pressing problems and solutions: —Bring down the old economic order, which has been coddling inefficient industries.

—Break up cartels and monopolies.

—Eradicate corruption in agencies that regulate and control the economy.

—Raise the quality of infrastructure such as electric power, water, transport and telecommunications facilities.

—Cope with the unfavorable economic climate in the world.

"We must decisively deal with any one or all of these problems as urgently as we can. And the first vital step for us to successfully overcome these constraints is to put in place a streamlined, efficient and responsive bureaucracy which is what this workshop is all about," the President pointed out. "We are gathered here today to breathe life to may commitment to provide a government that is stable, well-managed, performance-oriented, effective and efficient and intolerant of graft and corruption," he stressed.

Solving the existing problems in the bureaucracy, the President said, would entail rationalizing the government's organizational structure, simplifying complex systems and procedures, making the bureaucracy action- and result-oriented and reducing red tape. "Streamlining here shall not be for the purpose of just removing or transferring them

(state workers), but to respect and implement to the fullest measure what we call the four D's of government administration—devolution, deregulation, decentralization and democratization," the President clarified.

The four D's, the President explained, provide for the transfer of decision-making to the lowest units possible, removal of red tape and competition with the private sector, ensure that vital services are stretched to the rural areas and guarantees that development will be shared by all Filipinos. "I can only urge you, can lead by example, I can pick your brains, and I can make some heads roll. But I would rather have you contribute your brains, your resolve, and your teamwork as a Filipino focusing on Philippines 2000. This to me is better than making heads roll," the President stressed.

The President also dissuaded government personnel from serving its public clientele in the name of "pakikisama [companionship]" and "utang na loob [moral indebtedness]" which he said are virtues best left to the "politicians." The Chief Executive also cited the need to cut down on the wastage of government resources, citing these resources come from the "sweat and blood of our people." Mr. Ramos further called on to all state workers to strictly adhere to the tenets of public accountability and command responsibility.

Thailand

SAP Leader: Party Ready To Leave Coalition

BK0104005693 Bangkok BANGKOK POST in English 1 Apr 93 pp 1, 2

[Text] The Social Action Party [SAP] is ready to pull out of the coalition, SAP leader Montri Phongphanit said yesterday.

All SAP Cabinet ministers handed undated resignations to Mr Montri, giving him the freedom to decide on whether they should remain in the six-month old coalition.

The Government will never achieve anything unless it makes courageous decisions and changes its attitude towards the SAP, Mr Montri said.

Mr Montri did not attend the coalition's get-together party at the Regent Hotel yesterday, saying he has been suffering from an allergy.

He said that although the main purpose of the SAP ministers' resignations is to demonstrate their willingness to allow him to join the Cabinet, "the resignations will make it easier for me to decide whether the party should remain in the coalition. I just fill in the date and the SAP is out of the coalition."

He is not afraid of being kicked out of the coalition and replaced by other political parties.

"As a politician, I am not afraid (of having the SAP removed)," Mr Montri said.

He said he does not intend to join the Cabinet for the time being. Nor does he want to create any trouble for the country.

Under present conditions, Mr Montri said he can assume a Cabinet post any time he wishes.

"But I will not become a Cabinet minister now because I am true to my word," he said (he announced recently that he would not seek to become a Cabinet minister in the present government even though he has been cleared of the asset seizure order).

He said he would not be able to help the people joining the Cabinet now. He knew that his voice would not be heard in the coalition because of some of the other coalition leaders.

"I will accept the offer to become a Cabinet minister only if I know that I can do something which benefit the people. I can simply reshuffle the SAP's Cabinet line-up and hand it to the Prime Minister, who will then have to order a reshuffle. If he refuses, I can withdraw."

He said he commands the trust of his party members. "If I tell them to resign, they will."

The Government has failed to solve several national problems and has been unable to restore foreign investors' confidence in the country, he said.

He suggested possible solutions for the Government during the SAP s previous meeting at the Wiangthai Hotel.

"I want to say it again. If the Government is to improve its perormance, certain leaders in the coalition must adjust their attitude (towards the SAP)."

The coalition has failed to make any progress because the Cabinet is not united.

"It's like two friends who come across a beautiful woman. One person tells the other to go ahead and court the woman saying he does not like her. But when the friend is gone, the same person takes the opportunity of talking to the woman and convincing her that the friend she just talked to is not worth associating with because he is a leper," Mr Montri commented.

He complained that when the Supreme Court judges ruled the asset seizure order null and void, certain leading members of the coalition joined other critics in making negative comments about him.

"Senior members of parties joined in the criticism instead of telephoning to congratulate me."

If the present coalition is to remain in office it must show courage in making decisions.

"Administrators must have the courage to make decisions that they think will benefit the people. Razor-sharp eloquence doesn't do any good," he said, in an apparent reference to Prime Minister Chuan who is dubbed by some newspapers as the man with the "honey-laced razor-sharp tongue".

Mr Montri said the Chatchai Chunhawan government, overthrown in the February 23 coup, had many more achievements judging by the large number of foreign investors attracted to the country at that time.

Today, by contrast, the national economy is steadily collapsing, he said.

He sidestepped the question when asked whether Gen Chatchai would improve the situation if he became prime minister.

"We should not stick too much to individuals," he said.

He said he is happy that he has been cleared of the asset seizure order. He said bank officials have visited him to show him his financial statements.

He is glad that the interest in the seized account has grown and that the accounts have been transferred from the Finance Ministry back to his name.

Government Parties Meet on SAP Resignation

BK0104015293 Bangkok Radio Thailand Network in Thai 0000 GMT 1 Apr 93

[Text] Chaturon Chaisaeng, the New Aspiration Party [NAP] spokesman, has reported on the meeting between senior officials of the government coalition parties, held yesterday night at the Regent Hotel. He said the meeting discussed the resolution of the Social Action Party [SAP] in which its cabinet ministers submitted their resignation to the party leader. He said SAP secretary general Bunphan Khaewatthana explained to the meeting that the action of the SAP ministers amounted to a show of spirit to let the party leader make his decision; it was not an attempt to pressure the government. Moreover, the SAP reaffirmed its full support for the government. Chaturon said the SAP explanation and clear stand gave the senior officials of the other four parties at the meeting a great confidence. During the meeting SAP leader Montri Phongphanit phoned to inform NAP leader General Chawalit Yongchaiyut, who hosted the event, that he could not attend the meeting because he was still ill.

The meeting also discussed the recent numerous protests and reached the view that the protests were not unusual in light of the fact that the present government is the product of an election in a democratic system. The meeting believed that the protests were not products of instigation but a result of problems besetting the people.

At the meeting, the prime minister emphasized to the attendants that in light of allegations about the government's lack of performance, each cabinet minister should push ahead to perform without fear of offending the prime minister, because each ministry's performance is regarded as government performance.

Groups Attack U.S. Over Sanctions Threat

BK0104034193 Bangkok BANGKOK POST in English 1 Apr 93 p 21

[Text] Two groups of health activists and non-government organisations have hit out at the United States' threat of sanctions against Thailand because of alleged inadequacies in pharmaceutical patent laws.

At a press conference yesterday the Coordinating Committee for Primary Healthcare of Thai Non-Governmental Organisations (CCPN) and the Drug Study Group accused the US of treating Thailand as a colony and interfering in Thai internal affairs.

The groups were reacting to reports of negotiations in Washington, where the US Government has been demanding amendmenments to the new patent law to allow back-dating of patent protection for drugs already invented but not yet marketed in Thailand and to limit the powers of the Pharmaceutical Patent Gommittee that is charged with ensuring that patent protection does not lead to over-pricing and other monopoly abuses.

The groups called the press conference after learning from local news papers that negotiations between the Thai Government and the US in Washington last week showed no progress, with the US still dissatisfied with the Thai position on pharmaceutical patents.

They said the demands represented interference in Thailand's internal affairs, adding that Thailand had already amended the Patent Law 1992 (second edition) to please the US Government on February 27, 1992 but the move was not enough for Washington.

The US Government wants Thailand to provide back-dated protection for drugs patented even if they are not yet marketed in Thailand, to restructure the duties and the role of the pharmaceutical law committee and to limit the Government's power to force patent-holders to give their competitors, licenses to manufacture patented drugs if abuses of monopoly power are discovered.

The two groups said Prime Minister Chuan Likphai should dissolve Parliament and allow another leader to take over the country or ask the US if Thailand could become a part of that country if his Government submits to the US demands.

Washington will announce by the end of next month whether or not it will keep Thailand on its "priority foreign country" list or retaliate by raising the import duties on Thai goods.

Chuan Claims Government Stable, To Last Full Term

BK0104102793 Bangkok Radio Thailand Network in Thai 0530 GMT 1 Apr 93

[Text] Prime Minister Chuan Likphai granted an interview to reporters last night after attending a gathering among government coalition parties. The prime minister said they exchanged views on work carried out under government policy, and planned to report about the implementation of the 1993 fiscal budget to the people on 5 April. The prime minister gave his assurance the government will last its four-year term.

The prime minister said there has been no confusion whatsoever, and that the government has been carrying out its duties under stated policy, no matter what might have occurred. He said his government has controlling majority in the House of Representatives as it is a coalition government comprising several political parties. He said each party in the coalition is pursuing its objectives under government policy, and that no one is entitled to chart his own course or overstep government policy. He said the people will see changes in the country if all the points in the government policy could be executed during its four-year term. Anyway, the prime minister said he does not expect to see all projects fulfilled during his four years. He said cabinet ministers will have to implement ministerial policies effectively for accomplishments. He noted that the government has made some progress. It has solved problems left by previous governments, and introduced new initiatives and measures for the improvement of the administration. He said it is

impossible that the government would accomplish all or please the 60 million Thai people entirely.

Asked about the possibility of a dissolution of parliament, the prime minister said he has never thought about it. He said it is very difficult for politicians to go through elections. He said politicians never want to see the house dissolved. The prime minister said it has never come to his mind to dissolve the parliament although the executive branch has this power. He said he never thought about dissolving the parliament, reshuffling the cabinet, or resigning since there has been no serious conflict preventing the government from doing its work. The prime minister said he is firm and that he does not easily get exited or carried away by any particular incident.

Prasong Comments on Regional Ties

BK0104030793 Bangkok BANGKOK POST in English 1 Apr 93 p 3

[Text] Thailand's "close political ties" with the Indochinese states have made possible various dimensions of "economic engagement," Foreign Minister Prasong Sunsiri said yesterday.

Politics and economics have become complementary and "mutually reinforcing" in the post-Cold War era, Squadron Leader Prasong told a conference organised by Euromoney on prospects for growth and investment in Thailand.

Thailand's political role "will very much serve as an impetus for mutual economic endeavours in the Southeast Asian region," he pointed out.

He cited increases in investment, bilateral trade as well as the emergence of "consensus" towards the establishment of road links and communication networks between Thailand, Vietnam, Laos, Burma and southern China as instances of "economic engagement" with the Indochinese states.

He also noted that the setting up of the Bangkok International Banking Facility (BIBF) was "aimed primarily" at facilitating the flow of financial resources towards the reconstruction of war-torn Cambodia, Laos and Vietnam.

He pointed out that Thailand was continuing economic and technical assistance to the Indochinese states, with last year's 200 million baht budget again earmarked for related programmes this year.

At the same time, the foreign minister pointed to "important bearings" on the region resulting from Thailand's close relations with major regional powers such as China and Japan.

He cited China's expected participation in a new sub-regional road link as well as a new framework for equitable use of the Mekong River by all six riparian states: China Thailand, Burma, Laos, Vietnam and Cambodia.

He noted that Japan was "consulting closely with Thailand and other countries in the region" as it looked to expanding its "non-economic role."

Meanwhile, the foreign minister affirmed that Thailand would continue to work with the United Nations Transitional Authority in Cambodia (UNTAC) to achieve a political settlement and durable peace in Cambodia.

The political effort, he said, was supported by "concrete economic actions", notably Thailand's observance of the UN resolution banning the export of logs from Cambodia.

The minister at the same time defended Thailand's policy of "constructive engagement" with Rangoon.

The policy was "not providing the immediate results that many, including Thailand, would like to see," he noted. But it "should be the most workable option to encourage political reforms" in Burma, he added.

Paper Urges Cambodian Elections Be Held as Planned

BK0104020793 Bangkok THE NATION in English 1 Apr 93 p A6

[Editorial: "Cambodian elections must be held as planned in May"]

[Text] Violence against Vietnamese settlers in Cambodia has moved from the fishing villages into Phnom Penh itself, as the general elections draw near. The Khmer Rouge, which has chosen to stay out of the peace process, now appears to be targeting restaurants and shops, or any establishment operated by the Vietnamese.

The Khmer Rouge no longer has the resources to mount a sustained military campaign and is capable only of sporadic terrorism in its efforts to undermine Untac's [UN Transitional Authority in Cambodia] creditability and the elections, scheduled for May 23-28.

Unmistakably, the grenade attacks in Phnom Penh Monday is the beginning of a new Khmer Rouge campaign to terrorize the urban voters to stay away from the polls.

The violence is also aimed at creating maximum disturbance in the major cities, where a major political tussle is likely between the Phnom Penh government and the main opposition, the Funcincpec—the French acronym for the United Front for an Independent, Neutral and Free Cambodia, led by Prince Norodom Ranariddh, son of head of state Prince Norodom Sihanouk.

If the attacks continue there will be ramifications for law and order, increasing the strain on both the Phnom Penh and Untac forces.

The shooting of an Untac official by Phnom Penh security force is a case in point. This nervous reaction by Phnom Penh only added to the air of uncertainty. However, the incident should heighten awareness of the importance of Untac and Phnom Penh forces cooperating and acting rationally. Otherwise, they will fall prey to the Khmer Rouge, which is seeking every possible way to destroy or undermine the free and fair elections.

Untac chief Yasushi Akashi has said the frequency of political violence and intimidations by all factions has fallen by half when compared with November and December. He has also expressed confidence that by April 7, when the official political campaign starts, violence will have to be greatly diminished.

Akashi has solicited support from the two powerful Phnom Penh leaders, Prime Minister Hun Sen and Chea Sim, who have pledged full co-operation to his and the UN Security

Council's appeals. They know full well that good cooperation with Untac to ensure a free and fair election will benefit those already in power.

Seemingly, the Phnom Penh leaders have learnt the lesson that if they resort to violence they will meet a tough response from Untac. Untac forces have searched the premises of Phnom Penh authorities in provincial areas and detained officials implicated in violence and intimidation. With Untac's prosecution office in operation it will not be easy for Phnom Penh to escape retribution for any misdeeds.

Despite the uncertainties of the coming days, the elections must be held as planned. That is the best that Untac can do.

As the Khmer Rouge will doubtless continue to disturb the elections, it is imperative that other parties, including Phnom Penh, cooperate to make the election campaign and the outcome acceptable to the world community. Failure to accomplish that objective would be playing into the hands of the Khmer Rouge.

Prime Minister Worried by 'Mob-Rule' in Country

BK0104024193 Bangkok BANGKOK POST in English 1 Apr 93 p 3

[Text] Prime Minister Chuan Likphai yesterday said he was worried by "mob-rule" by unspecified groups wanting to cause trouble for the nation.

Army Commander-in-Chief Gen Wimon Wongwanit said the Prime Minister, during his first official visit to the Army headquarters said he wanted political development in the country to start anew but a number of people were resorting to "mob-rule" in their protests.

The Premier said these people had no respect for the laws and regulations of society and did not care whether their protests caused troubles for other people.

"The Prime Minister wants the army to help coordinate security with the aim of creating a good image for the country," said Gen Wimon who will retire next year.

Gen Wimon said he also did not want to see mob-rule.

The commander said he would like to make a plea to the people that "they not be used or manipulated by other people who want to cause rifts and do not want to see peace restored in society".

Mr Chuan spent nearly two hours at the Army Hall where he received a red-carpet welcome and had lunch with senior officers.

Gen Wimon briefed the premier on army affairs and its development role in society with the hope the briefing would help foster a better understanding between the army and Government.

Mr Chuan was accompanied by Defence Minister Gen Wichit Sukmak and Prime Minister Secretary-General Thawat Wichaidit.

Gen Wimon said he had raised the issue of the well-being of army personnel for discussion with the Prime Minister in the hope the Government would help find ways to improve the situation.

"The Prime Minister has shown his concern by admitting the issue should be taken care of by everyone concerned," he said.

Among the key army officers who greeted the Prime Minister yesterday were Army Deputy Commander Gen San Siphen, Army Chief-of-Staff Gen Pramon F[illegible]asin and Army Assistant Commanders-in-Chief Gen Yutthana Yaemphan and Gen Choetchai Thiratthanon.

Mr Chuan asked Gen Wimon about several issues including the present role of the Internal Security Operation Centre (ISOC), arms sales and the current situation of former communist defectors who are reportedly encroaching on several forest reserves.

Gen Wimon said the meeting had no political implications and politics had not been raised.

He also said he hoped last week's Supreme Court ruling annulling the order to seize the assets of politicians would serve as a lesson 90 people think about "whether we should do such things".

The commander did not elaborate, adding: "Let's just think about it."

Speakers Tout Nation as Regional Economic Hub

BK0104015993 Bangkok BANGKOK POST in English 1 Apr 93 p 30

[Text] Speakers fell over themselves at the Euromoney conference yesterday to claim a regional leadership role for this country.

The Bank of Thailand, the Board of Investment [BOI], the National Economic & Social Development Board, the banks, the Government, the SET [Securities Exchange of Thailand]—all professed that they want to develop Thailand into a regional hub.

SET president Seri Chinthanaseri opened the second day of the conference by announcing that the SET can one day be a place where firms from anywhere can raise funds for the region.

Mr Seri said automation and more efficient information systems will soon solve all operational problems and link Thailand to other world markets.

He said: "The SET is gaining acceptance from other stock markets. With further development of support systems, broadening SET coverage and allowance of more complex instruments, the SET will be able to take advantage of the trend towards more links between stock markets and thus ease the flow of both direct and portfolio investment into the region."

Burin Nanthaphut, president of the Securities Analysis Association, told the conference that whereas the SET is focused on serving well-planned and well-managed firms and industries, the task of the Bank of Thailand is to create a macroeconomic environment that will help turn Thailand into a regional financial and monetary centre.

Wichit Suphinit, Governor of the Bank of Thailand, said a "flexible and conservative" macro-economic management approach has contributed to local success.

A new dimension has developed because of the greater exposure of Thai and the Thai economy to neighbouring countries with unproved management capabilities, Mr Wichit said.

The challenge for Thailand in the future is how to become a leader of development in the region, not only at the micro-economic but at the macroeconomic level as well," he said.

Thailand's economy is large compared to that of many countries in the region. Therefore the bank's continued caution in economic management will not only provide the basis for the growth and stability of Thailand but also of that of the region.

The BIBF [Bangkok International Banking Facililities] and financial liberalisation will increase Thailand's ability to make its macro-economic policy felt in the region, although greater emphasis should be put on "developmental leadership", he said.

"The Bank of Thailand's objective is to create the right environment for success in moving the country up in its stage of development."

When they move up the development ladder neighboring countries may become less threatened by Thailand and may begin to see the country as a partner in their development and become more receptive to coordination, Mr Wichit said.

Sathaphon Kawithanon, Secretary-General of the Board of Investment said Thailand's industrial and agricultural sectors may be more developed than many realise.

"There has been a dramatic transformation of the Thai economy as a result of recent boom conditions," he said.

"The rapid deepening of supporting industries is a very recent development. Thailand now has the largest automotive industry in the region and a well-diversified agricultural sector that has fueled agro and other industries."

Mr Sathaphon said the BoI's policy of pushing industry in the region, which will help deal with the problem of disparities in incomes, has a secondary aim.

"My vision is for the Northeast with its abundant labour force to be the centre for labour-intensive industries serving not only Thailand but Indochina too.

"The North will serve hi-tech industries and supply China with inputs. The South will be an agricultural base. And the Bangkok area will become the service industry centre of the country and possibly of the region."

The view of Phisit Phakkasem, Secretary-General of the National Economic and Social Development Board, was that "it's all systems go!" as he put it.

He said: "The current five year programme calls for investment of over US$50 billion for investment in infrastructure development in transportation, energy and telecommunications.

"These projects aren't exclusively focused on alleviating Bangkok traffic congestion. They are designed to link Thailand to Vietnam, China and Burma, and to bring the telecommunications capability up to international standards."

Chulakon Singhakowin, president and director of the Bank of Asia, said that unlike many, who believe that Thai banks are becoming top-heavy, he believes they are in a fairly sound condition and are poised to break into the region.

"The hinterland of Bangkok continues to be the domain of Thai banks, and smaller to medium high-grade borrowers do not have easy access to financial intermediaries other than Thai banks," he said.

The closing address to the conference was made by Deputy Prime Minister Suphachai Phanitphakdi.

Dr Suphachai said: "The effort to transform Thailand so that it can play a pivotal role in the region does not depend on tricks like pulling a rabbit out of a hat. It depends on practical medium- and long-term plans to make Thailand into a very serious partner in development for the countries of the region.

MP's Urge Action Against NPKC, Assets Committee

BK3003040793 Bangkok BANGKOK POST in English 30 Mar 93 pp 1, 3

[Text] Government and Opposition MPs called on the politicians whose property was seized by order of the National Peace-keeping Council (NPKC) to take legal action against the military junta and the Assets Examination Committee.

The MPs—Pricha Suwanthat of the Democrat and Niphon Wisityuthasat of Chart Thai—suggested that the NPKC and committee members be sued for damages, plus interest.

Mr Pricha said that although the NPKC is defunct, the high-ranking military officers who made up the council can still be sued.

The military junta must be made to pay the interest on the frozen assets, the Bangkok MP said.

He opposed a suggestion that the Government pay the interest on the assets, because the NPKC had initiated the investigation of the 10 politicians for being "unusually rich".

Mr Pricha, a former member of the Counter Corruption Commission, said:

"It would be unfair to make the Chuan Likphai Government pay the interest, because it didn't order the seizures and the interest would have to come from the taxpayers."

"It shouldn't be the responsibility of the Thai people."

Mr Niphon, who is a Chat Thai executive committee member, said that the assets seizure had damaged the reputation of the politicians and prevented them from spending their money.

They should sue the entire committee in Criminal Court for defamation and demand compensation from its members in Civil Court, said the Ang Thong MP.

He claimed that the committee members deserve to be sued because they had followed the NPKC's orders although, he alleged, they knew they were wrong.

"Under the Criminal Code, officials are not obliged to implement any orders that are illegal or unconstitutional," claimed the Chat Thai MP.

He also advised the Government to sue the former members of the nowdefunct NPKC for payment of 7.5 per cent interest to politicians whose assets were frozen because they enforced an unconstitutional law.

However, House Speaker Marut Bunnak disagreed and said the state must pay interest on the frozen funds, not the NPKC.

The interest should start from the day the Supreme Court ruled that Order No. 26 was unconstitutional—last Thursday—and be calculated at the rate of 7.5 percent a year, he said.

He did not think this would be a problem, he said, because the seized assets were deposited in banks.

He also did not think the 10 politicians could sue the former members of the committee because they were "just following orders."

The only exception was if it could be proved that they were dishonest or negligent.

Asked if the NPKC should pay the interest, he said 'No', because the assets are in the hands of the state.

He said the assets must be returned to the politicians as soon as possible so the state will not have to pay more interest.

The legality of other NPKC orders must be looked at individually, he said, but the court cannot initiate consideration of them, there must be a plaintiff first.

Asked if the Counter Corruption Commission should investigate the 10 politicians if any of them are nominated for cabinet positions again, he said this could be done because the Supreme Court had not ruled on any possible corruption.

Finance Minister Tharin Nimmanhaemin declined to answer questions about the interest payment, saying that he has ordered officials to look into the matter.

Deputy Prime Minister Banyat Banthatthan said that if the politicians ask for their assets back, the Government will have to consult with the Juridical Council about the interest.

Normally a court verdict is binding on the two parties in the case, but the current Government is not a party to this case, he said.

"Whatever the legal implications, the Government will follow the law," he said

Government spokesman Aphisit Wetchchachiwa repeated yesterday that it is a pity that the politicians whose assets were seized may not have a chance to prove their innocence in court, now that the seizure order has been ruled unconstitutional.

Mr Aphisit said he is not sure if there is any other way the politicians can prove their innocence in court, because the case was overturned before they were tried.

Lecturers Lend Support for Anan's Legal Fight

BK3003023593 Bangkok THE NATION in English 30 Mar 93 p A2

[Text] Friends of Anan, a group established to lend moral support to embattled former prime minister Anan Panyarachun, will do so mainly through a chain-letter campaign, a group coordinator said yesterday.

Suwinai Ponwalai, a Thammasat University lecturer, said the group members as of yesterday had swelled to about 5.000.

In his interview with The Nation yesterday, Suwinai said each member would be asked to send out chainletters, inviting more people to join the group.

Apart from this campaign, Suwinai said the group would also seek help from popular entertainers to attract more members.

The group would also distribute pamphlets detailing academics' opinions in the court case Anan was facing, the Thammasat lecturer said.

Frends of Anan, whose founding members comprise prominent public members, was formed after the Criminal Court accepted a lawsuit against Anan early this month.

Retired judge Prawit Khamparat accused Anan of blocking his promotion during the tumultuous power struggle between rival judicial factions.

Last Wednesday, the Thammasat Teachers' Council joined the group and was entrusted with the public relations campaign.

Suwinai said the group would formally open its secretariat office at Maneeya Building on Thursday.

The coordinator also said the Friends of Anan also planned to organize a cocktail party, called "Flowers for Anan", at Imperial Hotel on Friday to allow the members to get together.

The party would be co-organized by three non-governmental organizations—the Businessmen for Democracy Lawyers for Democracy and the Foundations of Laws Centre for the Environment, he said.

The lecturer reiterated the group's main goal of providing moral support to Anan.

He said the group would urge its members to attend the court session on April 21 when Anan is scheduled to enter a plea of guilty or innocent.

"But we don't want them to drive to the court as we are afraid that they would cause traffic snarls," Suwinai said.

Senior judges have warned that the group could stir up anti-court sentiment by pressing the theme that Anan is a good man who does not deserve to face legal action.

Anan on Thursday thanked his supporters for their moral encouragement but warned them not to do anything that would provoke a confrontation with the judiciary.

"I'd like to see the group carry out its activities within the legal framework. I don't want to see a confrontation," Anan said.

Rangoon Said Launching Campaign Against Minorities

BK2703102893 Bangkok Radio Thailand Network in Thai 0530 GMT 27 Mar 93

[Text] Fighting between Burmese troops and ethnic minority groups along the border near Tak and Mae Hong Son provinces may intensify. Lieutenant General Anuson Kritsanaserani, director of the Supreme Command Information Office, said this assessment is based on troop rotations, movements, and new weapons procurement by Burmese troops. He says:

[Begin Anuson recording] There was no major fighting during the period under review. There were reports on troop rotations at areas near the Kawmura Camp opposite Ban Wangkaeo of Mae Sot District, Tak Province, and at areas near the Manerplaw Camp opposite Suk Moei Subdistrict of Mae Hong Son Province. Usually, Burmese troops will launch suppression campaigns against ethnic minority groups along the Thai-Burmese border. But, there have been no reports of major suppression campaigns since the dry season. This may be due to the internal political situation in Burma. However, there is a tendency that Burmese troops may launch dry-season suppression campaigns against ethnic minority groups along the border as there are troop movements, rotations, as well as procurement of weapons from China. [end recording]

Iran Granted Two-Year Credit To Buy Thai Rice

BK3103022193 Bangkok BANGKOK POST in English 31 Mar 93 p 22

[Text] The Cabinet yesterday agreed to give a two-year credit to Iran for the purchase of Thai rice products government spokesman Aphisit Wetchachiwa said. Mr Aphisit said 700,000 tons of 100 percent white rice products would be sold to Iran. The first 220,000 tons of rice products would be delivered next month until July. He said Iran was expected to confirm its order of another 180,000 tons of rice by mid-April. He added that the Finance Ministry would allocate budget for purchase of rice from local market for export to Iran. An informed source said that about 270 million baht would be granted by the ministry for the purchase of 100 percent white rice products.

Vietnam

UNTAC Official Condemns Massacre in Cambodia

BK3103152193 Hanoi VNA in English 1429 GMT 31 Mar 93

[Text] Hanoi VNA March 31—Mr. Dennis McNamara, head of the human rights component of the UN Transitional Authority in Cambodia (UNTAC), has said that 'the violence against ethnic Vietnamese in Cambodia may well be chargeable under the genocide convention,' reports VIETNAM NEWS AGENCY correspondent in Bangkok, Thailand.

He was speaking at a press conference in Bangkok on Monday during the Asia regional preparatory meeting for the Second World Conference on Human Rights.

He said the violence against 'Cambodians of ethnic Vietnamese descent' was clearly politically-motivated in the lead-up to general elections. 'The violence is a major destablising factor in Cambodia in the weeks before the elections. It is escalating, it is a political campaign intended to terrorise the population. They are clearly politically-motivated acts of violence, the ethnic aspect is a convenient outlet'.

Mr. McNamara stressed that the Vietnamese now in Cambodia are 'second, third, or fourth generation Vietnamese born in Cambodia', and that 'the call for the departure from Cambodia of all ethnic Vietnamese will not be helpful, but on the contrary may further antagonise ethnic racial hatred in that country'.

He pointed out: 'This violence is similar to the politics and practices of the past which are specifically outlawed by the Paris accords and, in human rights terms, crimes against humanity, and may well be considered acts of genocide. Those responsible for authorising and those with who failed [as received] to take steps to prevent the violence, may well be chargeable under the genocide convention'.

The UNTAC representative added: 'We are very concerned about the continuing state of lawlessness and summary killings which are taking place in all parts of Cambodia. No zone is immune... We continue to have too frequent arbitrary killings by military units, whether under control or out of control, to a level which makes it difficult to say that we have attained the environment which is mandated under the Paris accords for holding free and fair elections under UN supervision'.

'Violence against ethnic Vietnamese in Cambodia will be high on the agenda of talks during the United Nations Secretary General Butros Butros-Ghali's visit to the war ravaged country next week,' Mr McNamara stressed.

Border Province Reported Sealed Due to Refugee Influx

BK3103134993 Hong Kong AFP in English 1127 GMT 31 Mar 93

[By Andrew Sherry]

[Text] Ho Chi Minh City, March 31 (AFP)—Vietnam has seemingly sealed off the border province of An Giang from foreign eyes as it sorts out the economic, political and security problems posed by the arrival of thousands of refugees from Cambodia. Reports from the Cambodian side of the border say Vietnamese authorities are not hindering the entry of the ethnic Vietnamese refugees, who fled their homes in Cambodia in the wake of a March 10 Khmer Rouge massacre.

What is happening to the refugees after they sail down the Tonle Bassac or Mekong rivers and cross into An Giang remains a mystery, however, with Hanoi so far refusing to confirm even how many have arrived.

Officials from the United Nations High Commissioner for Refugees said Wednesday that Vietnam had neither asked them for assistance nor appraised them of the situation. Requests from foreign journalists for authorization to visit An Giang have been met with silence. A Western aid worker based in a border province meanwhile said he had been asked to leave for an indeterminate period of time.

Vietnamese sources here said there was no question that the refugees would be admitted, just as the country accepted tens of thousands of ethnic Vietnamese fleeing the pogroms unleased by Cambodian leader Lon Nol in 1970 and the Khmer Rouge genocide that began five years later. But the sources acknowledged that the current flood posed problems for Vietnam that go beyond the costs and logistics of meeting their basic needs.

A Vietnamese diplomat told AFP in Phnom Penh that to welcome them into Vietnam would serve "to encourage the Khmer Rouge to commit more massacres."

Anywhere from 200,000 to 500 000 ethnic Vietnamese live in Cambodia, according to independent estimates. An estimated 1,000 have crossed into Vietnam in the past 10 days, and several thousand more are on the way, according to U.N. officials in Phnom Penh.

The influx of refugees—mainly poor families with no skills other than fishing or farming—can only worsen unemployment in the Mekong Delta, where rapid population growth has spawned increasing numbers of landless peasants.

Politically, Hanoi seems uncertain whether to treat the refugees—many of whom were born in Cambodia or whose families have lived there for generations—as Cambodians or Vietnamese.

Some have been issued identity cards by the Vietnamese-installed Phnom Penh government, entitling them to citizenship rights, but many others have no papers at all.

The shortage of documentation heightens the security problems associated with the influx. Vietnamese authorities may want time to weed out quietly any possible Khmer Rouge agents before letting the refugees settle down in or near the sensitive border provinces.

Vietnam—whose 1978 invasion of Cambodia was triggered by Khmer Rouge cross-border raids—has grown increasingly concerned with the security of its southwestern border as the U.N.-backed peace plan in Cambodia falls apart.

Hanoi denied in mid-March reports that it had strengthened its military forces in the area.

A Vietnamese Foreign Ministry statement Sunday spoke of "instability" caused by the arrival of the refugees, but ministry officials have not elaborated.

Instead, Hanoi has stepped up its calls for the U.N. Transitional Authority in Cambodia and the Cambodian parties to halt the massacres fueling the ethnic Vietnamese exodus. UNTAC said Wednesday that it had begun patrols to protect the fleeing Vietnamese.

Lao Party, State Delegation Arrives 31 Mar

BK0104042893 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 31 Mar 93

[Text] At the invitation of the Communist Party of Vietnam Central Committee and the State of the Socialist Republic of Vietnam, a high-level delegation of the Lao People's Revolutionary Party [LPRP] and the State of the Lao People's Democratic Republic [LPDR] will arrive in Hanoi today for an official friendship visit to our country from 1 to 4 April. The delegation is led by Comrade Khamtai Siphandon, chairman of the the LPRP Central Committee and prime minister of the LPDR Government. Accompanying Comrade Khamtai Siphandon are: 1. Comrade Phoun Sipaseut, member of the Party Central Committee Political Bureau and deputy prime minister of the Government;

2. Comrade Choummali Sai-gnason, member of the Party Central Committee Political Bureau and minister of national defense;
3. Comrade Vongpet Saiheu-yachongtoua, member of the Party Central Committee and vice chairman of the National Assembly;
4. Comrade Somsavat Lengsavat, minister of foreign affairs;
5. Comrade Khamsai Souphanouvong, member of the Party Central Committee and minister of finance;
6. Comrade Bouathong, member of the Party Central Committee and minister of communications, transportation, posts, and construction;
7. Comrade Khamphet Phengmeuang, LPDR ambassador to Vietnam;
8. Comrade (Chongsouk Bounkham), deputy director of the Office of the Party Central Committee; and
9. Comrade Buason Boupphavan, deputy director of the Office of the Prime Minister.

We warmly welcome the official visit to Vietnam by the high-level delegation of the party and state of the LPDR led by Comrade Khamtai Siphandon. We sincerely wish the visit fine success, thus marking a new step of development in the special relations of solidarity and all-round cooperation between Vietnam and Laos.

Paper Welcomes Delegation's Visit

BK0104065393 Hanoi VNA in English 0556 GMT 1 Apr 93

[Text] Hanoi VNA April 1—The Vietnam visit by a Lao high-level party and state delegation led by President Khamtai Siphandon is an important contribution to the continual consolidation of the Vietnam-Laos special relationship, says NHAN DAN's editorial today.

The paper continues:

"Our people have followed with keen interest the renovation process in Laos and greatly rejoice at the Lao people's achievements in building a peaceful, independent, democratic, unified and prosperous country. In 1922, Laos Gross Domestic Product (GDP) increased by 7 percent over 1991. Agriculture and forestry output value rose by 8.3 percent, industry by 7.5 percent and services by 3.9 percent while the inflation rate was kept below 10 per cent. More than 40 percent of the state budget were invested in the national economic projects creating conditions for the development of production and circulation of goods. Foreign investment in Laos has increased year after year. In 1992 alone 104 foreign invested projects capitalized at 176 milllion US dollars were licensed.

"The success of the National Assembly election (third legislature) in late 1992 demonstrated the politicial maturity of the Lao people the equality and the unity of all ethnic groups in the country. At the same time, it has contributed to accelerating the development of the country.

With its diversified and open-door foreign policy and the successes in national development the Lao People's Democratic Republic has gained an ever higher prestige in the region and the world".

NHAN DAN contnued: "The new successes of the Lao people are successes of the renovation process initiated and led by the Lao People's Revolutionary Party. They make a worth contribution to peace, stability and development in the region and elsewhere in the world.

President Khamtai Siphandon has stressed that the Lao People's Revolutionary Party, deeply conscious of its historic mission, will continue to improve and develop the people's democratic regime in order to creat new factors for gradually advancing Laos towards socialism.

Do Muoi, Vo Van Kiet Welcome Guests

BK0104103893 Hanoi Voice of Vietnam in English 1000 GMT 1 Apr 93

[Text] A high-level Lao delegation arrived in Hanoi on Thursday [1 April] for an official visit to Vietnam. The delegation is led by Mr. Khamtai Siphandon, chairman of the Central Committee of the Lao People's Revolutionary Party [LPRP] and Lao prime minister.

Vietnamese party leader Do Muoi and Premier Vo Van Kiet welcomed their Lao guests. Chairman Khamtai Siphandon said: The warm welcome of the Vietnamese party, Government, and people to his delegation shows the special solidarity and friendship between the two nations.

Bilateral Payment Agreement Signed With Malaysia

BK3103144193 Hanoi VNA in English 1301 GMT 31 Mar 93

[Text] Hanoi VNA March 31—Malaysia and Vietnam signed in Kuala Lumpur on March 29 a bilateral payment agreement to improve trade between the two countries.

Under the agreement signed by Bank Negara Deputy Governor Lin See Yan and Vietnam State Bank Deputy Governor Le Van Chau, Malaysia will pay its exporters in local currency what Vietnam owes them and vice versa.

The two central banks will settle in U.S. dollars the net difference in the payments on a periodic basis.

Commentary Hails Malaysian Aid, Trade Ties

BK3103152993 Hanoi Voice of Vietnam in English 1000 GMT 30 Mar 93

[Station commentary]

[Text] March 30 is the 20th anniversary of the establishment of Vietnam-Malaysia relations. Vietnamese Foreign Minister Nguyen Manh Cam has praised the development of relations between the two countries. His Malaysian counterpart has also acknowledged this considerable progress. Here is our radio editor's comment:

Malaysia is the close neighbor of Vietnam in Southeast Asia. Recently, the relations between the two countries have improved considerably. The visit to Malaysia by Vietnamese Prime Minister early last year and the visit to Vietnam by the Malaysian Prime Minister Mr. Mahathir Mohamed in the middle of 1992 were important landmarks in improving the relations.

Two-way trade has now reached $100 million. Malaysian ranked first among ASEAN countries and 11th among the world countries in investing in Vietnam. Vietnam and Malaysia maintain a goodwill and cooperative attitude towards issues of concern and sensitivity in Southeast Asia.

The two sides will soon sign an agreement on avoiding double taxation and an agreement on tourism. Malaysia will give Vietnam $700,000 as high-technology aid and $200,000 for training programs.

The Government of Prime Minister Mahathir Mohamed has many times reaffirmed its determination to share experiences with Vietnam and is ready to help Vietnam. They hope Vietnam will be an ASEAN member to contribute to peace and stability in the region. So on this commemoration day, Vietnam is proud of the relations between the two countries and hopes Vietnam-Malaysia relations further development.

Envoy to Malaysia Comments on Ties

BK0104063193 Hanoi VNA in English 0556 GMT 1 Apr 93

[Text] Hanoi VNA April 1—With the efforts of both countries, the friendship and multi-sided cooperation between Malaysia and Vietnam will continue to develop, said Vietnamese Ambassador to Malaysia Ngo Tat To on March 29. At an encounter with the local press in Kuala Lumpur on the occasion of the 20th anniversary of the Vietnam-Malaysia diplomatic relations, the Vietnamese ambassador reviewed the process of development of the two countries' relations and cooperation over the past 20 years and called on Malaysian businesses to invest in Vietnam.

In response to a question on the Vietnamese position on Cambodia, the ambassador reaffirmed that Vietnam highly respects the Paris agreement on Cambodia. It has strictly implemented the agreements, provisions concerning Vietnam and the same time, demands all signatories to the agreement do the same, he said. He also strongly condemned the Democratic Kampuchea faction's massacre of Vietnamese residents in Cambodia and urged the international community to (?pressure the) faction into stopping such cruel acts.

Major dailies in Kuala Lumpur on March 30 ran excerpts from messages of greetings exchanged between Vietnamese Foreign Minister Nguyen Manh Cam and his Malaysian counterpart Abdullah Ahmad Badawi to mark the occasion.

Assembly Chairman Meets Philippine President

BK3103155393 Hanoi VNA in English 1445 GMT 31 Mar 93

[Text] Hanoi VNA March 31—Chairman of the Vietnam National Assembly Nong Duc Manh on march 30 paid a courtesy visit to President Fidel Ramos on his second day's visit to the Philippines as the head of a Vietnamese parliamentary delegation.

President Fidel Ramos welcomed the visit as a contribution to strengthening mutual understanding and sympathy between the two peoples, and the beginning of a new period in the cooperative and friendship relations between the two national assemblies, governments and peoples.

Chairman Nong Duc Manh, for his part, expressed his wish for constant development of the relations between the two national assemblies and the two countries in the interests of the two peoples, and for building Southeast Asia into a region of peace, stability and prosperity.

Chairman Nong Duc Manh and his party later paid a floral tribute to Philippine national hero Jose Rizal at his monument in central Manila.

The delegation also visited Malacanang museum in memory of all Philippine presidents since the country regained independence.

Leaders Congratulate Newly Elected PRC Leaders

BK3103145593 Hanoi VNA in English 0611 GMT 31 Mar 93

[Text] Hanoi VNA March 31—President Le Duc Anh, Prime Minister Vo Van Kiet and National Assembly Chairman Nong Duc Manh on Tuesday sent congratulations to their Chinese counterparts on their election or re-election to the current posts at the first session of the National People's Congress held in Beijing from March 15-31, 1993.

President Le Duc Anh's message to President Jiang Zemin said 'I am confident that in your noble position you will make new and important contributions to leading the Chinese people in successfully carrying out the reform and open door policy, thus building a prosperous China and ensuring a happy life for the Chinese people.

'I also believe that you will make new efforts for consolidating and developing the neighbourly, friendly and cooperative relations between China and Vietnam on the basis of the agreements already reached between the leadership of the two countries, in response to the basic interests and aspirations of the two peoples, and for peace, stability and cooperation in the region'.

Prime Minister Vo Van Kiet's message to Premier of the State Council Li Peng said: 'I am convinced that with joint efforts from both sides the remaining problems between our two countries will be settled for the sake of the fundamental interests of our two peoples and in keeping with the trend of peace, stability and cooperation in the region.

'On our part, we will do our best to consolidate and develop the traditional ties of friendship between our two peoples'.

National Assembly Chairman Nong Duc Manh's message to Chairman of the Standing Committee of the National People's Congress Qiao Shi said: 'I note with joy that the longstanding neighbourly and friendly bonds between Vietnam and China as well as the exchanges between the National Assembly of the Socialist Republic of Vietnam and the National People's Congress of the People's Republic of China have made new progress since the normalisation of relations between our two countries'.

Also on this occasion, Mr. Nguyen Huu Tho, president of the Central Committee of the Vietnam Fatherland Front, and Mr Nguyen Manh Cam, foreign minister, congratulated their Chinese counterparts, Mr Li Ruihuan and Mr Qian Qichen respectively.